FBIS DAILY REPORT

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SARNEY, LUSINCHI DISCUSS TRADE, REGIONAL UNITY

PY111700 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Apr 86 p 7

[Excerpts] The sale of 30 Tucano T-27 planes to Venezuela through a countertrade deal for oil is practically closed. Yesterday, Presidents Jose Sarney and Jaime Lusinchi held a meeting that lasted nearly 2 hours at the Brasilia Air Base. The two chiefs of state expressed interest in expanding bilateral trade, which went up to $1.4 billion in 1982 and then declined to $600 million in 1985. Venezuela, one of the main oil-producing countries in Latin America, has lost one-third of its earnings in the wake of an oil price plunge on the international market.

The need to intensify the fight against drug trafficking in the Amazon region also was discussed by the two presidents, although the topic was not part of the prepared agenda. Discounting the time taken by protocol ceremonies and lunch, Sarney and Lusinchi had only 25 minutes to talk -- 15 minutes before and 10 after lunch. The Boeing 737 of the Venezuelan Air Force landed at the Brasilia Air Base at 1240.

Proposing a toast after lunch, Lusinchi said that his plane had landed in Brasilia on a technical stopover and that the warm reception accorded him by President Sarney transformed it into a new protocol ceremony, that of a "state stopover."

Rubens Ricupero, special foreign affairs adviser to the Presidency, summed up the topics discussed by the two presidents for the press. He reported that Sarney had once more emphasized that the absolute priority in Brazilian foreign policy is to reinforce links with Latin American countries, adding that a favorable climate for continental integration is now evident. Lusinchi spoke about the consolidation of Sarney's leadership, mentioning the "irreversible option" for democracy that Brazil has chosen and consolidated. The two presidents also talked about the foreign debt problem in the region, agreeing that it is important that the solution be given a framework that is common to all countries, in addition to the specific aspects of each one.

Regarding the fight against drug trafficking, Lusinchi affirmed that, as the control measures are intensified along the Colombian and Bolivian borders, the drug traffickers are seeking other routes through the Amazon region and the Caribbean. The Venezuelan president continued his flight to Buenos Aires at 1430. After visiting Argentina, President Lusinchi will visit Uruguay.

BRIEFS

EXPLOSIVES SHIPMENT CONFIRMED -- A telex sent by the Colombian Government informed the Belem Federal Police about the importation of 15 tons of dynamite and electrical fuses which were seized last Friday, along with a shipment of ether and acetone, from a barge in the Amazon River. According to Brazilian Federal Police Chief Romeu Tuma, the shipment of explosives is legal and has nothing to do with the one containing alcohol, acetone, and ether. (Geosildo Sao Farias), the person responsible for the latter shipment, has already been indicted. (Sao Farias) resides in the city of Tabatinga, in the Amazon region and he has a criminal record of drug trafficking. [Text] [Rio de Janiero Radio O Globo Network in Portuguese 0300 GMT 12 Apr 86 PY]

NEW ARMY JOINT STAFF CHIEF -- In a ceremony presided over by Army Minister General Leonidas Pires Goncalves, General Fernando Valenten Pamplona today assumed the post of chief of the Army Joint Staff. Valente Pamplona replaces General Joao de Sa Freire de Pinho, who was transferred to the reserves. The new Army Joint Staff chief is a native of the state of Ceara and began his military career in 1942 at the Cadets Preparatory School in Fortaleza, capital of that state. [Text] [Brasilia Domestic Service in Portuguese 2200 GMT 7 Apr 86 PY]

U.S. DECISION ON COFFEE PACT CALLED 'GREAT NEWS'

PA100210 Bogota EL TIEMPO in Spanish 7 Apr 86 p 4A

[Editorial: "Coffee: Good News"]

[Text] Without doubt, the decision of the intergovernmental committee of the White House to recommend that the United States remain in the coffee pact is great news. The truth is that the economic reasons for the United States to withdraw from the pact are not really very compelling. This is the view of the U.S. coffee industry, which has been a great defender of the pact, and has played a determining role in the committee. To the coffee industry, stability with slightly higher prices is better than the anarchy of the free market. The political reasons given by Mr Wallis, deputy secretary of state for economic affairs, such as the agreement indiscriminately favors U.S. friends and foes alike, do not have much validity either, and so far, fortunately, have not had much following. The fact that Nicaragus or Cuba belongs to the pact does not force the United States or any other country to buy coffee from them. On the other hand, good coffee prices are fundamental for the well-being of many U.S. friends, and one could also say that good prices are also needed to maintain social peace and democracy in many of the countries that depend on coffee.

This does not mean that producer countries should rest on their laurels. It is necessary to continue efforts at the diplomatic level to create a better attitude toward the coffee pact among the other members of the executive branch, and particularly in Congress. Likewise, it is of utmost importance that the defects in the accord be corrected before quotas are reinstated. Hopefully, the shock that producer countries felt when faced with the possible withdrawal of the United States from the coffee agreement will teach them a lesson, so that they will maintain more efficient and cordial relations with consumer countries in the future. The last-minute diplomatic offensive may have been successful on this occasion, but no one can guarantee that it will work again in the future. The important thing is not having to launch these emergency offensives in the future to put out fires. Instead, a sort of permanent lobbying effort should be maintained with those who are our partners in this agreement.

FARC GUERRILLAS INVITE POPE TO VISIT CAMP

PA120443 Paris AFP in Spanish 0225 GMT 12 Apr 86

[Text] Bogota, 11 Apr (AFP) -- The leftist Revolutionary Armed Forces of Colombia (FARC), which maintains a truce with the government, today invited Pope John Paul II to visit its central camp in the town of Uribe, in the southeastern department of Meta. The FARC staff sent the invitation through Apostolic Nuncio Monsignor Angelo Acerbi. The pope will visit Colombia in July. He will stay 7 days and will visit 11 cities. FARC is the country's oldest guerrilla organization. It silenced its weapons 3 years ago, following the signing of a truce with the government of President Belisario Betancur.

FARC has created a political group called the Patriotic Union (UP), which participated in the most recent legislative elections and has proclaimed a presidential candidate for the August 1986-1990 period. Braulio Herrera, the FARC political spokesman who met with the Vatican's ambassador, has said that the invitation is absolutely sincere and from the heart. He noted: "It is not our intention to mount a publicity show with this invitation." Herrera explained that the invitation to the pope has been made because the leader of the Catholic Church has always defended the cause of peace and social justice.

PLRA RALLY BROKEN UP; 30 INJURED, 15 ARRESTED

PY132303 Paris AFP in Spanish 2000 GMT 13 Apr 86

[Excerpt] Asuncion, 13 Apr (AFP) -- According to eyewitnesses, at least 30 people were injured and 15 were arrested as a result of the violence used to repress members of the opposition Authentic Radical Liberal Party (PLRA), who intended to hold a public rally in San Jose, a village 84 Km east of Asuncion. The rally was aborted by combined police, Armed Forces and Colorado Party popular militia units, according to the sources. PLRA leader Miguel Abdon Saguier was brutally beaten, dragged around, arrested and held incommunicado at the government representative's office of Cordillera department. Other PLRA supporters, whose vehicles were blocked on their way to San Jose, at Km 48 of Highway No. 2, received similar treatment.

In view of the roadblock, approximately 500 opponents left the motorcade and started walking. A few meters further the march was violently repressed by security units, the eyewitnesses reported. Saguier was dragged into a police van while the policemen attacked the other opponents using truncheons, whips, and braided wires. The agents also punched and kicked the opponents, according to journalists who witnessed the incident.

The PLRA rally in San Jose was supposed to express support for the national dialogue sponsored by the Paraguayan Catholic Church, but the Interior Ministry banned the rally and warned that it would be repressed if it took place. Journalists, foreign diplomats and leaders of the Liberal and Radical Liberal Parties who have seats in Congress, accompanied the PLRA columns and witnessed the action of the police.

Approximately 500 militiamen known as the Santani macheteros [Colorado Party peasants, usually sugar cane cutters and others whose main tool of trade is the machete] later marched shouting slogans praising President Alfredo Stroessner.

SALDIVAR NOTES 'GOOD' RELATIONS WITH U.S.

PY120228 Asuncion ULTIMA HORA in Spanish 11 Apr 86 p 12

[Text] "Relations between the Governments of Paraguay and the United States are good," Foreign Minister Carlos Augusto Saldivar told ULTIMA HORA after holding a meeting yesterday with U.S. Ambassador Clyde Donald Taylor. The long conversation was held at the Foreign Ministry. Saldivar explained to this newspaper that "bilateral relations with the United States and matters concerning the two countries and governments were discussed."

Asked how he viewed Paraguayan-U.S. relations, Saldivar emphasized: "They are good; there is full cooperation, and we are constantly working toward that." Asked if a specific issue was discussed during the meeting with the U.S. ambassador, Saldivar said: "There was no specific issue, all the issues we discussed were of a general nature."

Saldivar was also asked if Taylor's visit was related to a possible U.S. request for information from our government about the case of three U.S. citizens who were traveling through the Paraguayan Chaco area and allegedly got lost. One of them died, and the circumstances are still being investigated. He answered that "the meeting had nothing to do with that. The U.S. Embassy has not requested any information on that case." Ambassador Taylor did not make any statements regarding the meeting to reporters in the Foreign Ministry.

U.S. STORAGE FACILITY HIT IN LIMA BOMB ATTACK

PY121604 Paris AFP in Spanish 1521 GMT 12 Apr 86

[Text] Lima, 12 Apr (AFP) -- Lima police have reported that commandos of the Tupac Amaru Revolutionary Movement (MRTA) set off nine bombs early this morning. The bombs exploded at a storage facility of the U.S. Embassy, a property belonging to the Venezuelan Embassy, the Summer Language Institute, and public and private offices, causing considerable damage. The attacks, which claimed no victims, started a few minutes after the curfew, from 0100 to 0500 (0600 to 1000 GMT), went into effect, and occurred simultaneously.

A bomb [words indistinct] the U.S. storage facility located at Alfonso Ugarte Avenue, 50 meters from the prefect's office, causing extensive damage to doors and windows. Another explosion blew to pieces the doors of a [word indistinct] of the Venezuelan Embassy and the office of [words indistinct] in San Isidro, the source said. Similar attacks took place against suburban [words indistinct], the municipal office of Magdalena (?district) and three private businesses which were damaged. As a result of the attacks police began an operation and captured about 100 suspects.

Miraflores, San Isidro Incidents

PY121420 Lima Latinoamericana Television in Spanish 0440 GMT 12 Apr 86

[Text] Terrorists again caused alarm in the capital tonight. Several dynamite sticks exploded in various parts of the city. Residents of Brasil Avenue reported that bombs exploded in the neighborhood of the Police Hospital, and that the Citybank branch office in Miraflores was seriously damaged. Explosions were also heard near Camino Real in San Isidro, near Arequipa Avenue in Lince, and at Pardo Avenue in Miraflores. The police have mobilized emergency personnel, and military guards at strategic points have been reinforced.

GARCIA RETURNS TO LIMA FROM MONTEVIDEO

PY121658 Paris AFP in Spanish 1628 GMT 12 Apr 86

[Text] Lima, 12 Apr (AFP) -- President Alan Garcia Perez today returned to Lima after a 48-hour official visit to Uruguay at the invitation of Uruguayan President Julio Maria Sanguinetti. The Air Force plane carrying Garcia landed at the 8th Military Group airport next to the Jorge Chavez International Airport in Lima at 1115 local time (1515 GMT). First Vice President Luis Alberto Sanchez, Prime and Economy and Minister Luis Alva, high-ranking officials, and members of the diplomatic corps accredited in Lima welcomed President Alan Garcia at the airport.

GARCIA DISCUSSES PARTIAL PAYMENT TO IMF

PY140107 Madrid EFE in Spanish 2323 GMT 13 Apr 86

[Text] Lima, 13 Apr (EFE) -- President Alan Garcia announced here today that tomorrow his country will pay the IMF only $30 million instead of the $140 million installment that this organization is demanding so that Peru will not be declared "ineligible" [for further loans]. The Peruvian Government will pay the $30 million on the very date the IMF has set as the deadline to pay this installment. Garcia said that paying $140 million at one time would put an unbearable strain on Peru's reserves, taking into account the amount of foreign currency the country has, and would put the future in jeopardy.

Garcia added that one has to take into account that the price of oil has declined along with that of other Peruvian export products. In view of this, Peru could not deprive itself of $140 million, "knowing very well the risks it is running."

Garcia explained that the $30 million that will be paid is in keeping with what the country can pay and with "the prudence required of us to pay no more than we have to." He reasserted that Peru is not saying that it will not pay, nor does it renege on its debts, but the government has decided that "we will pay only what we can."

The Peruvian president stressed that "we will not jeopardize our right to development and our life insurance, meaning the foreign currency we have, to pay the banks, in this serious crisis that we have inherited, a crisis that is bound to last." He added that Peru will deposit the $30 million, which is what it can pay, "what our conscience will allow us to pay in keeping with our nationalism, and we will see what happens next."

SWEDISH OFFICIAL ON NORDIC-ANDEAN COOPERATION

PY130202 Paris AFP in Spanish 0501 GMT 11 Apr 86

[Text] Lima, 10 Apr (AFP) -- Bernt Carlsson, Swedish deputy minister for Nordic Affairs, stated today in Lima that the Nordic community demands that the industrialized countries open their markets to the developing nations. We are against protectionism, and the Nordic community favors free trade, Carlsson stated in a press conference at the end of 3 days of meetings with representatives of the Andean group to expand trade and cooperation between the two regions. Carlsson stated that Denmark, Finland, Iceland, Norway, and Sweden, buy 1.4 percent of the Andean countries' (Bolivia, Colombia, Ecuador, Peru, and Venezuela) exports. Excluding fuel, the figure amounts to 3.3 percent.

He noted that although this proportion is small, this latest percentage is equal to the Andean Group's trade with its partners of the Latin American Integration Association [ALADI] and exceeds its trade with Eastern European countries, Central America, the Caribbean, Asia (excluding Japan), Africa, Middle East, and Oceania. The meetings between Andean and Nordic members have permitted assessment of the prospects of institutionalizing trade ties, which will be mutually beneficial for the two regions, Carlsson stated. He added that Venezuela and Colombia, with hydrocarbons and coffee, respectively, export the most to the Nordic community, with transactions higher than $200 million annually.

Peruvian exports amount to approximately $25 million annually, but they are the most diversified exports of the Andean Group to Nordic nations (111 items as compared to the 11 from Venezuela, 35 from Colombia, 4 from Ecuador, and 6 from Bolivia). Ecuadoran exports amount to $3 million annually, and those of Bolivia to $100,000. Carlsson stated that the Nordic community has chosen the Andean Group as the first with which to begin contacts with a Latin American integration system because of its successful reestablishment of democracy and human rights. There is great interest in Nordic countries, among their governments and peoples, in the development of Latin America, in its economic situation, and in political events, he stated.

Pedro Luis Echeverria, one of the main authorities of the Andean Pact, stated that regardless of the differences between the two regions, the delegations searched for areas of economic, commercial, industrial, energy, agricultural, forest exploitation, and environmental protection cooperation.

FURTHER ON VISIT BY PERU'S ALAN GARCIA

Garcia Addresses Congress

PY110215 Lima Radioprogramas del Peru in Spanish 2130 GMT 10 Apr 86

[Address by Peruvian President Alan Garcia Perez to a joint session of Congress -- live]

[Text] Congressmen: In Peru we know very well that any efforts for transformation which are restricted to our borders will be precarious and temporary. We know that without a process for the unity of Latin America, our countries are not going to have a true historic revolution. This is why before this national assembly I would like to thank the Uruguayan people for their generous welcome. This welcome is one more step in the rapprochement of our people. We know that Uruguay and Peru are the two countries on the continent that have permanently maintained their integrationist policies. This is why we are renewing our faith in strengthening this common action.

Now that the foreign debt is mortgaging our destiny, commercial protectionism is restricting our possibilities, the imperialist presence is threatening Central America, and our democracies must be models of justice and well-being, now more than ever our unity is necessary. The burden of the crisis will make our unity possible. In just a few months oil prices fell from U.S. $25 to less than U.S. $10 a barrel. I know that this can be a temporary relief for the economy of some countries, but it can also mean the economic contraction of important countries like Mexico and Venezuela.

Moreover, according to analysts, the fall of oil prices will not produce the reactivation or the expansion of the industrialized economy thus the unjust price levels of our raw materials will be maintained, raw materials such as silver, copper, cereals, meats, wool [words indistinct]. In addition, the need to reactivate and redistribute our economies will continue to be blocked by the servicing of the foreign debt and by the continuous drain of our resources abroad, attracted by the high interest rates now prevailing abroad.

In sum, there will be no real prospect for development and growth in our countries if we continue to be dependent and subordinated to what may occur in the world economy. On the contrary, the current disorders in the economy are worsening our isolated position. As the result of the crisis we have created in the Latin American countries economic protectionism and distrust. We have therefore justified our individual and bilateral dealings with the great world economy, thus distorting the integrationist policy we advocate.

We must now ask in what direction Latin America is going, where our people are going, and what historic answer we can give in the current situation. It is true that a few years ago, as a result of the crisis, a new awareness appeared in Latin America. Throughout the entire continent we are making efforts to overcome an economic concept encouraged by the IMF which caused great harm to our people in the last few years. It was a colonial philosophy to adjust our economies to the world economy through open trade, excessive debt, and economic contraction. Now, the Latin American countries are making the same efforts to defend their production from international competition, reactivate their economies, defending the income of their citizens, and control the disarray of the interest rates and the parity of our currency in relation to the dollar.

Thus, we are witnessing a theoretical renewal of the instruments used in economic policy. However, this conceptual change must be coupled with joint action, which history demands from us. Raised in the isolation of each of our nations, and still imbued with the respectful fear of the great institutions that conceal world injustice, we have not yet taken the historic step toward our integration, which will strengthen the new democracy in our continent.

Messrs Representatives: The current crisis does not involve financial resources and monetary destabilization alone. It involves primarily a problem which has developed throughout our history and which stems essentially from the foreign debt, which in turn reflects injustice at the world level. We believe that integration must be achieved through facts and actions. Therefore, the great challenge today is to jointly take the great leap to continental unity, in order to avoid isolated, useless efforts. Our continent has had great thinkers and heroes of social justice. Our continent has undertaken great efforts to achieve economic independence and democracy. However, those efforts, through which some nations sought to move forward, were isolated. Had they been concerted and coordinated, they would have written an irreversible chapter and implied a definitive step forward for the entire continent.

We see in Uruguay an example of the struggle for democracy in the continent. Early in this century, a great statesman who could envision the doctrines and processes that were still to come, enriched democracy with a new orientation. Batlle y Ordonez, a Latin American forerunner, gave the state a new intervention and direction role in the business sector. He gave democracy a social meaning. To guard against authoritarianism, he created a joint political management and moved forward in the search for Latin American integration. Batlle y Ordonez strongly influenced the youths who would later receive the call from the university reform and the Mexican revolution. Those youths created an anti-imperialist movement which has given political inspiration to the Peruvian Government. The American Popular Revolutionary Alliance, the APRA, has always considered Batlle y Ordonez as the great promoter of social democracy and of the new state in Latin America.

Here we have to make some comments on the will and the political doctrines enforced within a single country and restricted by that country's economic dependence on the world economy. History teaches us that neither the greatness of leaders nor the soundness of their actions or doctrines, when limited to a single country, can bring irreversible progress.

Messrs Representatives: If we recall that the proposal by Batlle y Ordonez for a continental model should have been applied in each of our nations since the beginning of the century, we will realize that we have wasted a great deal of time. Let us recall the proposal that the APRA in the 1920's advocated social democracy, the nationalization of land and industry, and the anti-imperialist effort to achieve integration, and we will also realize that we have wasted a lot of time.

As we enter the last quarter of this century, there is one lesson that we should learn: The isolated paths followed by each nation are exhausted. Each country can no longer tackle its socioeconomic problems exclusively within its borders but within the entire continent, in order to give a common answer to the common problem of dependence.

Our history is the history of growing dependence on the world economy. We have forgotten the message of our independence, which advocated unity in our great fatherland, and we have grown as isolated nations. As such we are, we have been the easy prey of international capitalism. Therefore, despite some differences and temporary prosperity, we have all followed the same path.

Beginning in the last century and until the Great Depression in 1930, we were raw material exporters, in the belief that foreign markets would steadily grow. However, 1930 killed that illusion. After that, when international capitalism created multinational industries, we became buyers of factories and technology, adopting new consumption habits, importing expensive factory systems, and increasing centralism.

In the 1970's, when the price of oil went up, capitalism sought to sell more goods, raise interest rates on the foreign debt, and shorten the repayment deadlines to compensate for the higher cost. Almost without exception, our countries opened their borders to the foreign products, thus hurting their industries. In addition, they agreed to service their debts by contracting new loans at higher interests. This road led us to a crisis of dependency, and what is now at issue is the subordination to the imperialist system.

This critical situation has made us more conscious of our unity, because none of us will be able to come out alone without repeating the frustrating experience of the past. In the past we were deceived by the belief that the export of raw materials would be the instrument of our well-being and independence.

We were also deceived by the belief that the purchase of foreign technology to substitute imports would help us to affirm our autonomy. In the same way, it would be deceptive today to believe that by renegotiating our foreign debts separately, we could exact better repayment terms than our neighbors, and guarantee the solution to our problems. The truth is that we will only be able to pull out of the serious current crisis by a historic determination: unity to respond to the issue of the foreign debt that is behind all the difficulties of the present.

At the present juncture, Peru affirms its nationalism by limiting the influence of world trade, by reactivating its industries and consumption. It asserts its nationalism by facing up to the foreign debt problem. In addition, it is making efforts to democratize the state by expanding its action to sectors that have so far been deprived of its benefits, such as the peasant communities and the marginal urban population. Peru is also making efforts to establish an economic model that will counteract the monetarist theory and will give the state the ability to govern interest and exchange rates, and the overall orientation of the economy.

Despite all these efforts, however, we know that there will be no profound transformation in Peru, unless Latin America is united. Alone we might only be able to administer scarcity and poverty in a better way, but the lasting revolution that is to bring well-being, development, and technology will only be possible after we join other countries in making a momentous decision.

We look at the road Uruguay has taken to rebuild and consolidate its democracy with great hope, in the expectation that this will be the way to make up for the previous process of disindustrialization, to bring about the reduction of the foreign debt, and to deal with the low prices of raw materials. Because we in Peru are working for the same objectives, the Peruvians are expectantly observing the demonstration of civic maturity of the Uruguayan people who, under the leadership of their president, have struck a grand National Accord for the consolidation of democracy and the reconstruction of the economy. This is for us the essence of the Uruguayan example, because, in the depth of the economic and social crisis, each sector and group of the population may certainly have a grievance it wants to see addressed.

Each group wants to recover the level of income it has lost, and each citizen has the right to be impatient. But the political maturity of the Uruguayn people stands as a lesson that everything cannot be had at the same time and that the grand objectives, not the sectorial demands, must be the rallying points. What is important in these two experiences is that the roads our peoples have taken should lead us to the consolidation, thanks to the unity of Latin America, a new form of democracy, different from the formal democracy that countenances social injustice and from the political sovereignty that conceals economic subordination.

It is important that we should see that the process is not one on which we have embarked individually, but, unlike the past, one that is our common responsibility. It is our duty to consolidate democracy in the context of the greatest historical crisis in Latin America, which threatens to worsen the problems it entails. This explains the urgency we feel in Peru, the urgency that compels us, on one side, to strengthen the process of unification of the Americas and, on the other, to build a democracy with popular roots, not just to do justice and redistribute wealth, but to ensure the conscientious and responsible participation of the majorities.

Mr President, when we assumed power on 28 July 1985 we had an inflation rate of nearly 200 percent. Most of our industry was paralyzed. Our debt service was higher than the total value of our exports. In addition to this, seven out of ten Peruvians were either unemployed or underemployed.

We said then that our commitment was to all Peruvians with a priority to the unemployed and the hopeless. We told the professional, administrative, and labor union sectors that we would direct our efforts to prevent their income from continuing to drop as it had for the last 12 years. We told them then that it was possible to prevent their real salary from deteriorating. We even told them that it could be increased slowly and progressively to its level [as heard].

However, we also said that the few resources we collected would first be spent in the historical reactivation of millions of Peruvian have-nots because we believe that the state does not only belong to those who participate directly or indirectly but rather to the rest of the citizenry as well. Of course, we have many pressures and demands. Some think that they have the right to raise their prices to where their expectations and worries indicate. We believe that it is not a matter of increasing the profit per unit, but rather of producing more without exaggerating prices.

Other sectors, particularly professionals and managerial, demand that we return to the income levels of 1973. We say that it is impossible to attend to that request in only 8 months of administration. However, we also say that the very few resources we can obtain during this crisis must be used for the unattended social sectors: to bring running water to the slums around the cities, to provide jobs for the tens of thousands of unemployed, to give credit without interest rates to the poorer peasants, to vaccinate millions of children, and to directly aid the peasant communities.

I take the liberty to make this recount about Peru before this Congress in view of the example set by Uruguay by reaching a great national agreement. This means that the Uruguayans can coexist regardless of the impatience of each, demonstrating a historic realism, and without abandoning the doctrines and society models or each political group. In view of this example -- and seeking the same -- I would say that things do not happen in Peru as fast as or at the rate each individual or group wishes. However, no one can doubt that things are progressing and as days pass, our march will lead us to the same position of uniting before the crisis.

Nonetheless, our paths, our national paths continue to be separate just like the great historical proposals at the beginning of this century. In this manner the nationalist and redistributive effort of the Peruvian government together with the national agreement of the Uruguayan people will be affected and restricted by the same great problems that we will only be able to solve by uniting -- and uniting now -- our decisions.

Therefore, today we must understand that democracy is not just the privilege of each one, but depends on the whole of Latin America and its integration. Considering this subject, we must recall that our intentions and declarations of unity were hindered by the traditional and bureaucratic channels we chose for integration. Taking into consideration the historical experiences of other continents, we have tried first to establish free trade zones to then organize common markets. However, through this means we did not decisively attain our common objective. We believe that integration cannot be restricted to a progressive and traditional model. We believe that there are some crucial areas in Latin America in which we are not progressing and that demand our common decisions.

This integration of great decisions will open the way that will allow our economies to approach the great models of technical or industrial integration.

This is a time for coordinated decisions; a time to actively and immediately address our major problems. Today, a decisive, joint action by our peoples is required to achieve integration, which cannot be entrusted to technocrats. We must unite around the subject of trade by seeking to exchange our supplies, by concentrating our trade efforts on the region, by establishing countertrade systems, and by establishing financial mechanisms that would preclude the use of foreign currencies among us. We must unite to defend the prices of our raw materials and to establish mechanisms designed to enhance our balance of payments.

We must unite to limit expenditures on arms, which we continue to have and which reduces our funds earmarked for development. We must unite primarily to verify that behind the cold figures of the debt is a whole history of injustices and dependence endured by Latin America. Here, Mr President, despite our different circumstances and experiences, I must again discuss the foreign debt issue and again repeat our ideas. We will tirelessly continue to do so from every forum because we believe this is the main subject of our times, that is, the one having immediate effects on employment, food, health, salaries, interest rates, and social expenditures concerning our governments.

Without a structural, collective solution to the debt problem, each of our countries will have just a remote chance of qualitatively improving the standard of living of its people and its economy. Isn't it true that even if the prices of our raw materials went up, the dollars we could get would primarily be used to service the debt? Isn't it true that if they offer us a fresh $100 loan, $90 will be earmarked for paying a previous loan? Isn't it true that through this meager net loan, which accrues interest for the future, we are forced to support a world monetary system that only benefits rich countries? Isn't it true that the servicing of the debt directly affects exchange rates, interest rates, and real salaries?

Each of us may apply similar or different economic instruments and negotiate separately trusting in our good luck; but acting separately we will only make the same system more effective. By contrast, if we act together, because of the weight of unity itself we will be able to change the situation and thus open a new chapter in our history. Our debts have stemmed from the low prices paid for our products. We want to tell those who dream of a world economic expansion with higher prices for our products and subsequent development of our economies that there will be no worldwide expansion, just as expansion of the developed North.

The debt has also stemmed from the artificially inflated industrial models we have adopted and that have made us consumers of the main international industrial sector. Some people believe we ought to continue with the philosophy of rescheduling our debt to guarantee these technical models that are not suited to our reality. We believe our world economic standing will also depend on the regional and sectorial structures of our industries. These will have to be redefined and, above all, connected throughout the continent to overcome the vicious circle of isolation. We all know, however, that the foreign debt has been worsened by usurious interest rates, which are much higher than the inflation rate in developed countries. In this respect, we endorse the opinion of several Latin American statesmen demanding the use of an interest rate for our continent. We believe, however, that this Latin American interest rate should be sovereignly decided by Latin American countries, and should not be a gracious concession by the financial powers.

Moreover, the world can see the injustice in the obligation to use the currency that is issued by a single country for all international transactions, a country that can thus influence our decisions. Once the gold-dollar parity established in Bretton Woods in 1946 was broken, the dollar became a currency that could be freely issued by a single country that could thus impose its decisions on our economies. To refuse to face this reality and remain in the same situation will only keep us under the obligation to pay our foreign debt with new loans at higher interest rates that will compromise our future even more. This is true because new credits also imply the conditioning to a monetarist economic theory that Latin America is leaving behind.

For years this theory that is defended by the IMF has demanded that the Latin American economy be adjusted to the economy of the industrialized countries, thus turning us into an open market that destroyed our industry. Let us agree that our commitment should be to defend our production and development of our internal markets. For many years, the theory of the IMF has demanded that we govern our economic indicators in such a way that if prices went up, our currency should be devalued. Thus with a devalued currency, the interest rates had to go up and, subsequently, prices had to go up once more, in a vicious circle of poverty.

In addition, the liberal theory forced us to balance our supply and demand, contending that if there is no supply, demand cannot increase. On the contrary, we in Peru contend that it is imperative to restructure demand by redistributing it in social terms. We contend that the demands from the international banks or the demands from the privileged groups cannot be given priority to withdraw the country's foreign reserves or to consume luxury goods. We believe that it is necessary to redistribute the demand, beginning with the most needy. This is the objective of the Peruvian Government. As a consequence of the liberal theory and the negligence of past governments, the GDP in Peru is the same today as it was 20 years ago.

In view of this situation, our objective, which for the employed sectors is communistic, is to prevent the decline of the real salary as it happened in the last decade. Of course, our middle class, made up of administrative and professional personnel as well as the urban labor sectors, is asking for an accelerated recovery of the income lost over the past 20 years. Our answer is that with the meager resources of the state, we first want to incorporate the poorest sectors into the process of production and consumption. When the middle class asks us why we give priority to the most needy, we reply that the well-being of the middle class in the future will depend on the work and consumption of the most needy.

Lima, the capital city, where industry is concentrated, will not be able to produce if the market is not expanded. This is true because the public administration and the state, on which more than 1 million Peruvians depend, will have nothing to do unless the field to be administered is enlarged.

Of course, this proposition, which is an indispensable one in the face of an improductive economy, requires a high degree of conscientiousness to understand that the rectification of Peru's historic path cannot imply the immediate solution to all problems, but a long-term endeavor. However, Mr President, this long-term effort does not diminish intense interest with which we observe the culmination of a National Accord in Uruguay. In sum, in the face of the liberal theory that was imposed on us by the International Monetary Fund, we reassert a Latin American concept of development.

An era during which we were exporters of raw materials has come to an end, the illusion of establishing domestic industries that are autonomous has been dispelled, and with the reality of our foreign debt facing us, we must recognize that the foreign debt is the modern expression of imperialism. We should also recognize that this problem must have a political response and that it calls for a historic decision. This is why we in Peru have decided to set a ceiling on the servicing of the foreign debt, depending on the volume of our exports, which means that we will pay our debts in accordance with what we are paid for our work. [applause]

By that policy we want to assert the will of our continent. We must not, we cannot, continue to be satellite countries run by a single currency and interest. The Peruvian decision is not a passionate rage but a responsible decision before history.

We were warned that by that decision Peru would be left alone but we did not believe it. The truth is that the history of Latin America has been, except for a few occasions, the history of solitude. We now believe that the current circumstances will push us to unite. A warning has also been made that any country that violates international rules will not get much foreign aid. It is true that we need investments and technology but we do not believe in the myth of commercial credit as a necessary condition for development. Peruvian development does not depend on the dubious accumulation of credits but on the better distribution of its wealth and the work and faith of its citizens. [applause]

In the face of this decision, those who divide the world into two centers of power and view ideological positions in a simplistic manner, have labeled us as intolerants and extremists. We are not and will never be extremists. We believe in democracy as an expression of freedom. We believe in Latin America and we know that the great challenge now is to justice without sacrificing freedom. [applause]

We would like to reiterate here that to come out of exploitation it is not necessary to fall into the domination of the state or of a new class. We reiterate that it is not necessary to abandon domination to fall into another influence. A social revolution does not have to postpone the freedom and independence of a nation.

Over 100 years of social struggle have taught us that socialism cannot be achieved without freedom and that the vote and the participation of the people cannot be replaced by a political group, by a totalitarian state, or by a messianic personality. [applause]

We must prove that we can be anti-imperialists and affirm economic independence within democracy. To make a decision on the debt issue we must call things by their true names. However, Mr President, that does not depend on Peru, or Uruguay or on all of us as an isolated group. It will depend on the common action and concerted decision of all countries of the continent. Latin America is not a phrase. Latin America is a dormant giant. Everyone of us has to wake up and take action to gain not only independence, but also justice.

We know that national economic independence cannot be achieved without justice and development for our people. We recall here the message of Artigas whose words reached General Garzon [Uruguayan general who fought for independence] in Ayacucho. Artigas said that independence is not only the birth of nationality but that it must also have a social dimension. Artigas understood that the political and social structure are in the possession of land. He understood the basic right of the poor to own land and livestock. This is why he was called an anarchist and the enemy of order and property. [applause]

Mr president, representatives, I wanted to tell you about the efforts of the democratic, nationalistic and popular Peru of today. I wanted to tell you about the hard blow our expectations received from reality, and about our efforts to make something big for the freedom and welfare of our people. However, I mainly wanted to say that this task undertaken by us Peruvians is not exclusively ours. When we speak about Peruvian nationalism we are also speaking about continental nationalism, because we know that there will be no real revolution in Peru if there is not a deep democratic revolution in all of Latin America which ... [interrupted by applause]

I wanted to recall the historical and masterful experience of Batlle y Ordonez, whose ethical and social concept of state, which he held as a banner before the illusioned youth of his times, can be compared with the historical proposal of the APRA in 1920 as an anti-imperialist movement for the rescue of our continental identify.

Apart from the great personalities of these undying doctrines, we find ourselves with the painful reality of an isolated and divided continent which each of its nations -- which are part of a same unity -- confronting individually the great imperialistic system. By this I meant to say that now as then, when we recall the efforts made to overcome situations we thought were irreversible, we find this formidable effort by the Uruguayan people to reconstruct and consolidate their democracy. This is a democracy that in the past was an example for all of us. At one point the example was lost until the will of the Uruguayan people recovered what republican and democratic Uruguay must be.

I mean to say that this dramatic effort, after so much pain and waiting, also corresponds to the effort of the Peruvian people who have also waited for centuries for the reinstatement of its history [as heard]. These two efforts have common threats, restrictions, and opponents, and must stand up together: Uruguay in the Atlantic, Peru in the Pacific, two peoples that have always stood under the banner of integration. It is our time to actively carry the banner; here and now, it is the time to commit ourselves to a common action to show the rest of the American peoples that when we unite we gain a stronger quality, and that with our united strength, we will be able to reach peace, justice, and the economic independence for our whole continent. [applause]

Messrs Congressmen, I arrived in this generous Uruguay that once provided Haya de la Torre, the great champion of social democracy in Peru, with passport and shelter, not only as the president of Peru, but also as a member of the APRA and a disciple of Haya de la Torre, to express his posthumous gratitude to the noble Uruguayan people who protected him against dictatorships and persecutions. And I do so in the understanding that here we will seal our commitments and aspirations for the future. We owe ourselves to the future and it is in our hands to bring it closer, to transform its promise into reality. The possibility of carrying out a revolution, which will not be a revolt but a spiritual renewal, is within our reach. This will be a revolution with the significance of a democratic affirmation of freedom for all the people of the continent if only we keep working for our integration.

I came here to reiterate that we identify ourselves with Uruguay and that we want to reach an accord with this nation. Let the Uruguayan people know that Peru also considers the foreign debt a political problem and that on their behalf, but perhaps along another path, Peru will boldly confront whatever danger to prove that Latin Americans have the right to freedom. [applause]

Despite the intransigence of the factors involved in the Contadora Group action, Peru and Uruguay will continue to support it, in the quest for peace and for the strengthening of democracy in Central America. We [applause] ... actively and faithfully support the Contadora Group process. We, Uruguay and Peru, do not do it as either agents or supporters of a single cause. We do it on behalf of the entire Latin American Continent, in an effort to find peace and democracy, strengthen and safeguard the dignity of our continent, prevent all kinds of intervention whatever the origin, and build out own future with a single voice and will. Along with Uruguay, which throughout its history has been a peaceful country, we will support the limitation of military expenditures in our nations. I am sure that Peru and Uruguay will join efforts to build a single nation in our continent, in which we will all have political participation.

On defining Latin America with respect to other civilizations, Jose Enrique Rodo [Uruguayan writer] wrote a well-known expression: Ariel represents the dominance of reason and feelings over the baser instincts of sensuality; it represents generous enthusiasm and lofty, unselfish motivation. Today, the entire continent must wave the banner of those moral values, realizing the difference between the spirit of Ariel and the sensuality and materialism of Caliban.

There are some who regard the world as a two-sided confrontation of arms and areas of influence. Uruguayans and Peruvians only believe in the spirit of mankind without any boundaries.

There are some who live on their greed to have more. We believe, we must believe in solidarity and in the spirit. While there are those who lust for power, we believe that politics must be unselfish. While there are those who have raised the banner of authoritarianism, we believe in democracy and tolerance. While there are those who have been overwhelmed by indifference and impatience, we believe in our commitment to life and to the future. To the youth we continue to call upon with Rodo to undertake a heroic search for truth. That is why we long for a united America.

Messrs Representatives and fellow countrymen: Those who have promoted division among our nations shall reap frustration. Those who dared not act shall live in disappointment. We, I can feel it, Uruguay and Peru, which have always advocated unity, let us now act, so those who are now children may learn in the future that at a decisive time we dared begin a new chapter, thus winning a place in history. Thank you, very much.

Trade Conference Proposed

PY121523 Paris AFP in Spanish 2259 GMT 11 Apr 86

[Text] Montevideo, 11 Apr (AFP) -- It has been officially reported here that Peruvian President Alan Garcia and Uruguayan President Julio Sanguinetti today agreed to promote a top-level Latin American conference to review international basic commodities trade. In addition, Garcia and Sanguinetti will work together to inform other Latin American presidents about the initiative. No date has been set for the conference.

A statement issued by the Uruguayan Foreign Ministry noted that the two heads of state expressed their deep concern over the continuous erosion of the prices for basic commodities, which dropped by 23.3 percent from 1980 to 1985 or by 32.2 percent if petroleum and petroleum by-products are excluded. According to the communique, the export of agricultural commodities faces strong restrictions in the markets of the industrialized countries because those countries replaced their imports by subsidy policies, thus distorting the normal conditions of competition. At the same time, the heads of state agreed that mineral products and metals are also being subjected to diverse protectionist measures and that the sudden drop in the oil prices increases the complexity of the world basic commodities trade.

Peace Message Sent

PY120253 Paris AFP in Spanish 2351 GMT 11 Apr 86

[Text] Montevideo, 11 Apr (AFP) -- Uruguay and Peru today called on the Governments of Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua to give a favorable and quick answer to the call for peace recently made in Panama by the Contadora Group and the Support Group.

In a letter sent to the presidents of those nations, Presidents Alan Garcia and Julio Sanguinetti emphasized their profound conviction of the urgent need for the Central American countries to reach the necessary agreement as soon as possible. The letter says that this agreement should consolidate peace, security, democracy, and the development of the region through a Latin American solution based on the proposals of the Caraballeda message. The presidents' message says that such a solution would demonstrate the ability Latin Americans have to resolve their own problems free of foreign interference. They said: We will not give up our belief that there is no alternative to reaching an authentic and lasting peace than through diplomatic negotiation.

After renewing their commitment to Contadora and its Support Group, Garcia and Sanguinetti committed their strongest and most loyal efforts to the process of negotiating a formula for peace in the region that will satisfy the interests of all the countries concerned.

Holds Press Conference

PY122245 Madrid EFE in Spanish 0245 GMT 12 Apr 86

[By Alberto Pepe Leira]

[Text] Montevideo, 11 Apr (EFE) -- Peruvian President Alan Garcia today passionately defended Latin American integration and condemned in equally strong terms both the aid to the Nicaraguan contras, the IMF, drug trafficking, and terrorism.

During a 90-minute press conference at the hotel where he is staying, Garcia answered dozens of questions by newsmen and advocated a Latin American currency and a Latin American passport, because "the important thing is to start" regional integration. He explained that an agreement had been reached with Uruguay to exchange products, excluding payment in dollars, "an international currency that is really for one country."

The Peruvian president, who had a tight schedule today on his 2d day in Uruguay, said that his country "does not wish to export any model for the payment of the foreign debt," but that "we do expect fraternal solidarity in any case of abuse."

Asked by EFE if he expected other countries to follow the example of limiting the payment of the foreign debt to a percentage of export revenues, particularly after several of them have negotiated unilaterally with the creditors, Garcia replied: "I am very optimistic, because conditions are pushing us toward the unity of all Latin Americans." He added that he did not believe that Peru would remain alone in its position, explaining that the limitation of payments to 10 percent of export revenues meant that the debt would be paid in 20 years with an interest of 4 percent, which is higher than the yearly inflation rate in the United States. He also said that his government opposes the IMF because "there should not be any supervisor of the economy." He explained: "We do not accept prescriptions. We pay the percentage we can, by the same right the other side exercises when it sets interest rates unilaterally."

Alan Garcia Perez also harshly condemned "absolutely and publicly the aid to the Nicaraguan contras." In a clear reply to U.S. President Ronald Reagan he said: "There is no reason why a single person should feel that he has the right to guide Latin American history." He said that "the important thing in Nicaragua is that the Somoza dictatorship belongs to the past." He denied being a communist, stating that "we are democrats, but Latin American democrats." He then added that "we are aware of the lack of freedom of the press in Nicaragua, and that there is no pluralism, but that is no argument for interfering with the affairs of that country, much less for the most powerful country in the world to do so." He said, "something should be done for pluralism and democracy."

Garcia compared the aid to the contras with the possible aid from some other country to guerrilla groups such as the Shining Path in Peru, or to the Tupamaros in Uruguay before they gave up armed struggle to become a democratic left. He stressed that all help to guerrilla groups is "naturally aid to insurrection," which is an attack against democracies. He also confirmed that Peru will immediately sever its relations with the United States if it invades Nicaragua, because "that is the least we can do." Alan Garcia made it clear that "we are not against the United States, we are only against the model it wants for Latin America."

Regarding the Shining Path, he said that it has opened two fronts of attack, one against the police "to defend democracy" and the other in the social sector. In his long dialogue with newsmen, Garcia also asserted that his country "will not give up its struggle against drug trafficking," but he also asked the governments of drug-consuming countries to make their contribution as well and not through tardy measures, to rehabilitate drug addicts in advance, before the vice is acquired. He said that in his own country there are groups of young people who have started using drugs, but that it is not the most important problem in Peru.

Joint Statement Issued

PA122352 Lima Television Peruana in Spanish 0256 GMT 12 Apr 86

["Joint statement of the Uruguayan and Peruvian presidents" signed in Montevideo by Uruguayan Foreign Minister Enrique Iglesias and Peruvian Foreign Minister Allan Wagner; dated 11 April 1986 -- read by unidentified person]

[Text] At the invitation of Uruguayan President Dr Julio Maria Sanguinetti, Peruvian President Alan Garcia Perez paid an official visit to Uruguay on 10-12 April 1986. The two presidents held cordial and fruitful talks which permitted them to confirm the high degree of (?friendship) and understanding [words indistinct]. Convinced that the relations between Latin American countries should be guided by a new spirit of solidarity [words indistinct] that, taking upon themselves Latin America's historical desire to attain a genuine unity as a means to ensure their peoples' development and well-being and the exercise of the roles that they should play as international [words indistinct], the presidents have issued this joint statement.

Inspired by the permanent integrationist nature of Uruguay and Peru, this nature being affirmed by the practice of representative democracy, the presidents have agreed to make their best efforts to foster a community of Latin American nations through a balanced and harmonious development of the relations among the region's countries to guarantee peace and security, foster their overall development, and make their presence felt in the international community. With an eye to affirming the cultural identity that serves as the basis for this inter-American community, the presidents agree to share the successes, the illustrious persons, and national distinguished persons who embody the best Latin American values. They will be regarded as their own by all our peoples. [Words indistinct] the establishment of a common Latin American nationality that, without any harm to national particularities, encourages our unity and affirms our identity in the eyes of the world. Similarly, recalling the Lima statement of 29 July 1985, a commitment to establish regular mechanisms for consultation and political coordination among countries of the region in order to discuss matters of common interest in third countries, groups of countries, and in national forums, has been affirmed.

The Uruguayan president voiced his full support for the Peruvian president's proposal to establish in Latin America a United Nations center for peace, disarmament, and development. He also gladly welcomed the Peruvian president's offer for Lima to be the site for this center.

With a similar purpose, they agreed to stress the need to reorient regional markets and encourage the formation of a Latin American common market to counter the negative aspects of the current international economic order, (?protect) the vulnerability of the economies of the region's countries, and speed up their development. The presidents vigorously condemned drug trafficking, which constitutes a crime against mankind, and underlined the pressing need for all international countries and organizations involved in this problem and its solution in various ways, to assume their responsibilities fully and properly.

The presidents said that the problem of the foreign debt constitutes the most serious political and economic issue that the Latin American countries confront, and that its solution should be oriented toward strengthening democratic stability in the region and (?struggling) for the peoples' genuine right for development and well-being. They agreed to state that the treatment of the debt should take place from a political perspective. Considering its economic aspect, they reaffirmed the unpostponable necessity for the Latin American economies to grow. The outlines for the solution of the debt should be dependent on this growth.

The Peruvian president expressed his gratitude for the many and very cordial considerations accorded him by the Uruguayan Government and people during his stay in the country. This indicates the traditional and the ever closer feelings of brotherhood between the two nations.

[Signed] Montevideo, 11 April 1986.

Garcia Departs

PY121248 Madrid EFE in Spanish 1225 GMT 12 Apr 86

[Text] Montevideo, 12 Apr (EFE) -- Peruvian President Alan Garcia today left Uruguay where he was paying an official 2-day visit 3 hours earlier than scheduled. Garcia's departure was scheduled for 0945 local (1245 GMT), but he actually left at 0720 local time (1020 GMT). This sudden departure surprised the press and some authorities. Yesterday Garcia displayed concern over the upsurge of violence in Peru, and this may have prompted him to return to Lima earlier than scheduled. President Julio Maria Sanguinetti and some of the ministers bade farewell to Garcia on a dark morning while heavy rains were falling in Montevideo.

BORDER SETTLEMENT DISPUTE WITH BRAZIL PERSISTS

PY111322 Paris AFP in Spanish 0211 GMT 11 Apr 86

[Text] Montevideo, 10 Apr (AFP) -- The local press today reported that the Brazilian Foreign Ministry has rejected a protest lodged by the Uruguayan Foreign Ministry over the establishment of a settlement in a 25,000-hectare piece of land located 500 km north of Montevideo, on the border with Brazil. Early in 1985 the previous Brazilian administration decided to establish the Thomas Albornoz Village in the region which, according to local authorities, falls inside the Uruguayan department of Artigas.

Uruguayan Foreign Ministry sources consulted by AFP have declined to confirm or deny a report that the note sent by the Uruguayan Government last year was rejected by the Brazilian Government. In March 1985 the Uruguayan Government announced that there was a demarcation mistake in that region and that it would apply great care in adopting decisions that would protect the integrity of the national territory. The notes exchanged between the two foreign ministries are being kept secret by the Uruguayan authorities.

STALEMATE NOTED IN USSR COMMERCIAL NEGOTIATIONS

PY101559 Montevideo Radio El Espectador in Spanish 1000 GMT 10 Apr 86

[Text] There is a stalemate in the commercial negotiations with the Soviet Union. It has been reported that the Foreign Ministry has rejected Moscow's counter-proposal to a Uruguayan proposal of progressively increasing trade, with the goal of exporting goods worth $120 million to the Soviet market over the next 3 years.

FALSE BOMB THREAT AT U.S. EMBASSY REPORTED

PA120151 Madrid EFE in Spanish 0141 GMT 12 Apr 86

[Text] Mexico City, 11 Apr (EFE) -- For the second time this week the U.S. Embassy in this capital received a bomb threat today, which turned out to be false, a U.S. Embassy source told EFE.

The same source announced that despite these anonymous threats work activities have not been suspended and that only the entrance of some persons who had affairs to take care of in the embassy, located in the downtown part of this city, was banned.

The source noted that on two occasions embassy security personnel have carried out a thorough check of the installations, "but, fortunately, no bomb has been found."

SILVA HERZOG SPEAKS ON DEBT AT IMF IN U.S.

FL101626 Mexico City NOTIMEX in Spanish 2150 GMT 9 Apr 86

[Text] Mexico City, 9 April (NOTIMEX) -- Debtor countries have a diminished capacity for maneuvering in applying greater adjustment measures, because, despite the policies they have applied to date, they have not achieved the expected economic results.

Mexican Secretary of Finance and Public Credit Jesus Silva Herzog made this statement today while speaking in the name of Mexico, Spain, and Venezuela at the meeting of the internal committee of the IMF, which is being held in Washington. The Mexican official added that it is fully cognizant of the political and economic dimensions of the same. He stressed that it is indispensable that the creditors show a greater willingness than they have to date to share the responsibility and the sacrifices. He said that in the past 3 years Latin America has transferred more than $100 billion dollars in interest payments, which represents 5.5 percent of the region's gross domestic product (GDP).

Silva Herzog has said that this process has become an obstacle for the debtor economies because resources that could be used to increase export capacity are used in the transfer of these funds. In a similar fashion, he said, the difficulties of covering the service of the debt discourage physical and financial investment, creating a climate of uncertainty and unfavorable social expectations.

The Mexican finance secretary said the Baker Plan has little chance of success although he recognized the merit of the initiative. The official said adjustments are now impossible because the product per capita in Latin America is now 9 percent less than in 1980.

He said the region is finding increasing difficulty in creating jobs, and its work force is increasing from 3 to 3.5 percent annually in addition to suffering simultaneous salary drops of from 20 to 40 percent in real terms. In addition to the preceding, he said, no firm intention on the part of the commercial banks to renew voluntary credits to developing countries is being observed, besides which they are maintaining orthodox criteria on problems that are not acquiring dimensions different from the ones they had 13 years ago.

Silva Herzog said that the way of viewing the debt has changed since the beginning of the crisis. He said that in the great majority of the debtor countries, the debt has a broad political content because, despite the expenditures made, the expected economic results have not been achieved.

75TH IPU CONFERENCE CONTINUES IN MEXICO CITY

Host Group Proposes Solution

PA101622 Mexico City XHDF Television Network in Spanish 1955 GMT 9 Apr 86

[Text] At the 75th IPU Conference Mexico has proposed the solution of long-standing problems and maladjustments in the development process of nations, the improvement of economic and financial relations, and the search for a new world economic order.

Here we have a report by Hector Gonzalez Perez and Judith Alamo.

[Begin recording] [Gonzalo Perez] The deterioration of the international market and high interest rates have created uncertainty and the material impossibility for debtor countries to cover their financial commitments.

[Alamo] By presenting its draft resolution on international trade, the foreign debt, and the growth of developing countries, Mexico established that the reinforcement of protectionism limits the exporting capacity and the payment of the foreign debt.

[Gonzalo Perez] During IPU meeting it was explained that the depletion of capital in debtor countries decreases the possibilities for growth and development.

[Alamo] The Mexican document stated that, due to the heavy burden of their financial commitments, the people's standard of living is seriously affected.

[Gonzalo Perez] During their presentation, the Mexi an parliamentary group noted that if protectionist measures, the deterioration in the price of oil and raw materials, and the high interest rates continue, it will be impossible to improve the people's standard of living thus threatening the political and social stability of the developing countries.

[Alamo] For this reason, the Mexican resolution said, we must boost international trade, pay attention and solve long-standing problems and maladjustments in the development process of nations, improve economic and financial relations at the international level, and search for a sustained advance in the construction of a new world economic order.

[Gonzalo Perez] The Mexican document proposes that the legislators of the world advocate the movement of capital so it can encourage and expand the flow of international trade.

[Alamo] It also proposes the promotion of cooperation programs as the main part of development in order to diversify the use of technology.

[Gonzalo Perez] It also points to the need to improve the use of world resources, and the modification of structures and trade exchange to make trade a more equitable instrument that will result in better salaries, consumption, and living conditions for the world's population.

[Alamo] The draft resolution recommended that the parliament members of the world promote the adoption of global cooperation strategies to resolve the problems of trade, debt, and financing in order to find a lasting solution for inequality.

L.A. Parliament Head Comments

FL092110 Mexico City NOTIMEX in Spanish 2330 GMT 8 Apr 86

[Text] Mexico City, 8 Apr (NOTIMEX) -- The Latin American Parliament will attempt to persuade the U.S. Congress to make a commitment to become involved in talks aimed at finding a peaceful solution to the Central American crisis, its president, Argentine Luis Leon has asserted. He indicated that the Latin American countries participating in the 75th IPU meeting reached a consensus to ask the United States to eliminate foreign intervention in Central America's domestic affairs.

Leon said that he will go to Washington next Friday to deliver the Guatemala declaration and ask U.S. congressmen for a compromise solution to the Central American regional crisis. After noting that the Contadora Group is valid within diplomatic political efforts, the Parliament member underscored that Latin America has to stop issuing declarations and begin defining situations. The Latin American Parliament will be the guardian of Latin America's independence if President Ronald Reagan openly attempts to obtain resources to launch military actions in the continent. Leon called for those in charge of making political decisions in Latin America to have more courage because there are still some leaders who think creditors are more important than the people.

The Latin American Parliament believes it is extremely important to hold an urgent summit meeting between Latin American heads of state and government to eradicate economic colonialism in Latin America. It favored the creation of a negotiated moratorium between creditors and debtors to enable indebted countries to replan their economies with greater independence. Leon asserted that in the last 4 years Latin America paid its creditors $106 billion in interest and said the Baker Plan is no longer a solution for indebted countries.

He concluded saying that the Latin American Parliament intends to establish a dialogue in which ideologies do not contribute to provoke a war but to establish pluralism which will encourage regional integration without foreign intervention.

FRG on Cancelling Part of Debt

FL102200 Mexico City NOTIMEX in Spanish 2040 GMT 10 Apr 86

[Text] Mexico City, 10 Apr (NOTIMEX) -- The FRG today called for cancelling a part of the Third World's foreign debt and for the IMF to restructure payment conditions so that they would allow countries to meet their commitments while they continue their development. During a press conference, the FRG delegation that is attending the 75th IPU meeting in Mexico City said the Latin American foreign debt requires reforming international economic relations so that an equal basis can be created for regional countries.

Christian Democratic Union representative Michaela Geiger, Social Democratic Party representative Torsten Wolfgramm, said the debt problem is due to foreign factors as well as domestic. The delegates said among the foreign causes of the debt problem is the fall of raw material prices and the banks' generosity with loans without confirming the debtors' solvency. Among the domestic causes of debt problems are inadequate economic policies and excessive capital flight as is the case in Mexico, Venezuela, and Colombia. Because of this, said the delegates, the industrialized countries will have to cancel a part of the Third World's foreign debt to give them an opportunity to get ahead and at the same time allow the creditors to recover part of their payments.

The FRG has cancelled the debts of 23 developing countries totalling 4.2 billion Deutsche marks, said the delegates. Nevertheless, they stressed trade, cultural, and political relations with Mexico and indicated that in 1985 German exports to Mexico increased by 23.3 percent and imports by 29.1 percent thereby dismissing any possible obstacles in future reciprocal trade.

In reference to Nicaragua, the delegates said U.S. aid to the contras is a violation of international human rights and said legislative disapproval of the aid would facilitate signing the Contadora Group's peace act as well as the democratization process in the region. The delegates indicated that after Somoza's dictatorship, Nicaragua can choose the democratic route promised by the Sandinists.

Cuban Delegate Interviewed

PA111635 Mexico City EL DIA in Spanish 9 Apr 86 p 14

[Article by Ruben Montedonico]

[Text] Severo Aguirre del Cristo, president of the Cuban delegation to the IPU Conference said to EL DIA: "Ronald Reagan has stated he is a counterrevolutionary: It is the biggest, if not the only truth he has said as President." During the talk, the vice president of the Cuban National Assembly of the People's Government reviewed some points of the agenda of the IPU Conference, such as the arms race, the economic crisis, the Third World foreign debt, the Central American situation, and terrorism.

Regarding the economic crisis and the underdeveloped nations' foreign debt, Severo Aguirre said that the billion dollars that these nations owe is a heavy burden that becomes heavier every day and is unpayable. "No country can pay that, he said. [quotation marks as published]. Third World exports have been reduced, and by contrast the price of the products they import continues to increase. The Western developed nations like to buy at low prices and sell at very high prices. Hence, this is the third consecutive IPU meeting where this subject will be discussed.

As for the increase of terrorists activities in the world, the Cuban legislator said that the majority of the countries experiencing terrorism agreed to affirm that a substantial part of this activity is generated by colonialist and imperialist forces seeking to close the path to the struggle for national liberation, independence and sovereignty of many nations. Aguirre pointed out: "This is very evident in the case of the mining of Nicaraguan ports or in the case of Angola and other African nations." He added: "It is an evident terrorist policy to arm mercenary bands to then launch them against Nicaragua or Angola."

The Cuban representative also stated: "The practice of state terrorism carried out and directed by Ronald Reagan has expanded. The presence of the U.S. 6th Fleet in the Gulf of Sidra is a terrorist act against Libya. The same happens when democratic and progressive personalities are killed in some countries. The same happens in South Africa where the white minority regime kills the blacks and illegally occupies Namibia's territory to hinder the people's independence. The UN has agreed on this and has reiterated this several times."

Most of the speakers at the IPU conference adopted clear positions condemning terrorism, in particular the state terrorism frequently practiced by the United States. Aguirre said: "It has been demonstrated at this meeting how the peace problem is closely linked to the free and sovereign development of the nations. We hope that positive decisions will come out for the cause of the people and for peace."

The conversation turned to the recent meeting of the Latin American Parliament in Guatemala.

Aguirre attributed great importance to the meeting because it was the first time that the representatives of 18 Latin American parliaments had met and unanimously approved a document that clearly outlined the responsibility that a foreign power has in the Central American conflict. "The meeting arrived at a junction at which everyone made concessions to benefit unity. Everyone condemned the aggressive policy that the most radical groups in the United States -- represented by President Reagan -- are advancing in Nicaragua. They all agreed that the Contadora Group has not been successful thus far because the United States does not support a negotiated solution to the conflict, but instead favors a military solution through the intervention of mercenaries or regular troops or a combination of both. The goal is to crush the Sandinist revolution and El Salvador's patriotic forces who are fighting to democratize that tiny nation and to guarantee its people's human rights."

Severo Aguirre, a seasoned political leader, took a deep breath and continued: "Reagan declared himself a counterrevolutionary. That is the biggest if not the only truth he has said as president." A peaceful and definitive solution to the Central American problem must be discussed with him. We applaud the Sandinists' willingness to enter into talks with the United States to resolve the conflict in Nicaragua and the rest of the area."

The Cuban lawmaker said the Reagan administration's Central American policy has failed, recalling that when Reagan assumed the Presidency he promised to crush the Sandinists and the Salvadoran rebels. It will not be possible to keep that promise, he said. "Each country has the right to decide its own future. The White House should have learned by now that that principle cannot be replaced by its hegemonic interests." He closed his argument saying that the "U.S. policy strengthens the belief in the struggle shared by Nicaraguans and Salvadorans."

Aguirre ended the interview session with the following statement: "If there is direct aggression against Nicaragua this will bring enormous bloodshed; but in the end it will be an embarrassing defeat for the imperialists, as was the defeat at Playa Giron. To end, I would like to say that the U.S. Central American policy is absurd, unjust, and inhuman. At the same time, it has helped bring together all of Latin America's progressive peoples and governments. Therefore, in the event that the United States decides to intervene militarily in Central America, the move will be considered an aggression against all of us, and all of Latin America will mobilize to struggle against the common enemy."

Delegates Warn of Hunger

PA111312 Mexico City XHDF Television Network in Spanish 1955 GMT 10 Apr 86

[Report by Hector Gonzalez Perez]

[Text] The representatives of African, Asian, and European countries warned today that unless the arms race and the current deterioration of trade exchange are arrested the world will be exposed to another catastrophe: hunger.

During the 4th day of sessions of the 75th IPU meeting, it was said that the nuclear and economic crises are intimately interrelated and that if those two problems are not resolved the world situation will explode.

The gap between rich and poor must not be allowed to continue to increase, the Vietnamese delegate said, adding that if that situation persists the developed, industrialized countries' systems will collapse, and they will inherit the poverty of today's poor countries.

The European delegates called for solidarity. They acknowledged that the deterioration of the world's economy and the arms race cause inequalities in society. The Norwegian representative encouraged the coordination of efforts, greater technical assistance for developing countries, and the promotion of health programs. She said that the current crisis fosters impatience, inequality, and uncertainty regarding the future of mankind.

Meanwhile, the Cameroon delegate said that if the industrialized, developed nations do not do something to remedy the world situation conditions will take on increasingly catastrophic proportions.

During today's discussions the representatives of the more than 90 countries participating in the IPU meeting will continue to examine the economic situation, the foreign debt, and the various options developing countries have.

Host Withdraws on Mideast

PA112201 Mexico City XHDF Television Network in Spanish 1955 GMT 11 Apr 86

[Text] The delegation of Mexican legislators participating in the activities of the IPU, has withdrawn its representatives from the committee which is drafting a resolution on the Middle East conflicts. Members of the delegation said that their decision is based on proposals that oppose the principles of nonintervention and self-determination of the peoples. The delegation feels that the text of the resolution opposes the country's international principles. Addressing a message to the chairman of the drafting committee, the Mexican parliamentarians reiterated their conviction that regional tensions can be reduced and progress can be made in general disarmament only if the principle of nonintervention is upheld. Senator Patrocinio Gonzalez Garrido, member and secretary of the Mexican delegation, said that the decision was made because the draft resolution includes stances openly opposed to the principles of nonintervention, self-determination, and peaceful solution of controversies.

In the same message, which was signed by Deputy Alonso Aguirre Ramos, Mexico announces its determination not to participate in the discussion and approval of the document on the Middle East conflicts. After Mexico's decision was announced, the Israeli delegate said that, in order to settle the Middle East conflicts, the creation of a group similar to the Contadora Group is necessary.

NICARAGUA URGED TO COMPROMISE IN CONTADORA TALKS

PA110437 Mexico City UNOMASUNO in Spanish 9 Apr 86 p 17

[Article by Rafael M. Rodriguez: "Contadora, the Last Card"]

[Text] It appears that the efforts made by Contadora to persuade Nicaragua to agree to new bases for the negotiations carried out by the group with the Central American countries were useless. Foreign Minister D'Escoto's position in the recently concluded meeting in Panama shows that there is no change in Nicaragua's refusal to sign the peace document until the United States pledges to end the support given to the contras to destabilize the Nicaraguan Government.

Contadora has now decided to play its last card. Nicaragua will have to decide between signing the final document or accepting the risk of international isolation and criticism if it fails to sign.

The reason for Nicaragua's decision -- lack of guarantees for its government -- is surprising at this stage of the process of negotiations. The points that still have to be approved are those related to arms control and reduction, and international military maneuvers. The debate on those points in the peace document has not concluded; yet Nicaragua has decided not to participate before exhausting all possibilities. Undoubtedly, Nicaragua is in a difficult position where those points are concerned. The U.S. threat persists, as well as the support for the contras. However, it would be worth asking, which is a greater risk for Managua: isolation, or a possible violation of the agreements in the document in the form of continued support for the contras and the complicity of third countries in offering territorial shelter to the anti-Sandinists. It seems precipitous on the part of Nicaragua to maintain its position in the terms in which it was defended by D'Escoto. The other four Central American countries have decided to support the position of the mediating group, and the latter, in turn, seems to be convinced that it has the necessary strength to impose its decision on the Sandinists. Contadora knows that if it fails to do so, it runs the serious risk of having the peace initiative come to a speedy end. The group is also aware that now it has full international support. It is also aware of the high price that Nicaragua would have to pay for its intransigence.

Nicaragua and Contadora are aware of this, and it is a challenge to them. The five Central American countries have been given 8 days to state whether or not they will participate in the drafting of the final peace document so that it will be ready for signing on 6 June. Guatemala, Honduras, El Salvador, and Costa Rica have said yes, and they have stressed that Nicaragua should participate, too, because the success of the agreement largely depends on Nicaragua. Honduras, particularly, has reiterated the need for Managua to give priority to initiating an effort of internal reconciliation with the opposition, since this is the key to beginning a dialogue with the United States on a realistic basis. The Contadora and Support Groups have also insisted on that. Europe has also exerted some pressure in this regard, as has been confirmed by the participation of the Spanish Government (Socialist International), which offered its good offices in this regard.

Nicaragua should now answer to the challenge that Contadora made to attain peace in Central America. Undoubtedly, it is necessary to negotiate, and we know that in any form of negotiation concessions have to be made, more so when it is power that is being negotiated. It seems that not to negotiate will be more costly than the most disadvantageous negotiation. Nicaragua must understand that the Central American stage is already a radically different one from that on which its revolution was triumphantly born. The state actors have been transformed, and new alliances can be made with them, but that, in principle, makes it necessary to acknowledge the compromises involved in alliances and their inevitable costs.

HERNANDEZ ON 'SOVEREIGN DECISION' TO JOIN GATT

PA140210 Mexico City XHDF Television Network in Spanish 0130 GMT 13 Apr 86

[Text] Mexico seeks to join GATT as a result of a totally sovereign decision and because of the advantages it will offer the country. The decision must not be adopted due to advice or foreign influence, Hector Hernandez, secretary of Commerce and Industrial Development [Secofin] said today before Secofin officials in Colima. Hernandez also said that Mexico's joining the GATT will not bring about an uncontrollable avalanche of imports, adding that current foreign trade policies reasonably protect locally manufactured products.

'STRICT SECURITY MEASURES' APPLIED TO CANAL

PA111722 Panama City MATUTINO in Spanish 11 Apr 86 p 1

[By Jaime Beitia]

[Text] The Panama Canal Commission yesterday applied strict security measures in places and public buildings under its jurisdiction in the face of threats by terrorist groups that they will attack U.S. positions in this country.

Those measures were implemented in the wake of reports in the local media that terrorist groups called "Revolutionary Committees of Panama," CRP, plan to destroy U.S. installations here. They did not rule out the U.S. diplomatic mission's or the interoceanic pathway's being targets.

Panama Canal Deputy Administrator Fernando Manfredo said that the U.S. and Panamanian Armed Forces have very specific joint plans to confront these potential threats. According to Manfredo, the Canal Commission is the first to recognize that the Canal could be the target of terrorist groups seeking notoriety.

However, special measures have already been taken to minimize this kind of threat, with the exclusive aim of guaranteeing the maximum security possible for people and installations in those areas. Those measures have been implemented in keeping with regulations and procedures specified by the U.S. Government, he added.

Meanwhile, measures similar to those applied by the Canal Commission were adopted at military bases and the diplomatic mission, because they are installations that would be attacked if the United states intensified its "blackmail" campaign in Libya, Nicaragua, and Panama [sentence as published].

GENERAL NORIEGA DISCUSSES REGIONAL SITUATION

PA122012 Panama City QUIUBO GRAFICO in Spanish 3-10 Apr 86 pp 5, 6, 7

["Outstanding portions" of an interview with Genral Manuel Antonio Noreiga, commander in chief of the National Defense Forces, by the Spanish International Network, SIN; date and place not given]

[Excerpts] [SIN] Is the source of the violence in Nicaragua?

[Noriega] Precisely: The concept of a spiral of violence grows stronger due to several causes. In Nicaragua this has several causes. The Nicaraguan people are afraid of a border war; they are afraid that the situation may become destabilized. This is at the root of their fears: that the Central American conflict might escalate and spill over into the entire area. This is what they are afraid of.

[SIN] Who is to blame? Managua's Sandinist government, foreign intervention, or the United States?

[Noriega] The question is a very interesting one, but being a citizen of one of the countries that forms the Contadora Group and a soldier, if I were to answer it I would be interfering in matters pertaining to the Foreign Ministry.

Therefore, I would prefer to respect the principles of the Foreign Ministry.

Militarily we have our opinion; strategically we have our ideas. Strategically speaking, we feel that, geopolitically, Panamanian security must tackle the real problem [real tumor]. That is, and I repeat, on the other side of our border we have a defenseless nation. That nation does not have the capacity, the history of war, or the security mechanisms to respond to an expansion of violence. What I am doing is expressing views on violence, not discussing international relations with any country. However, that is our geopolitical impression of the problem. To guarantee the safety of the Canal, Panama needs to extend its borders toward Costa Rica. This must be done with the conscientious support of the two countries. Costa Rica understands this. Costa Rica's great leaders understand this and so do the people. They know that Panama will be their first resource, their first step in the defense. Panama provided this in the past when Costa Rica saw its borders threatened.

[SIN] You were right in saying that is a question to be answered by the Foreign Ministry. There is a difference between the politician and the soldier. The soldier has specific goals, he follows specific goals, and he achieves these goals. The politician, perhaps because of politics, is confused at times. There are political differences regarding Panama between the U.S. State Department and the Pentagon. It seemed that the Pentagon always followed a straight line in regard to Panama, however, many times it has tried to stab her back. Why these differences?

[Noriega] I wish to be positive, totally positive, because we are part of the Latin American community and because with the United States we are partners in a great task, the Panama Canal. We could say that we are now returning from a confrontation. Panama has implemented the Torrijos-Carter Treaties. These treaties have given the United States the chance to live and sleep peacefully on the Central American isthmus. This is because Panama is the conscientious and strategic partner.

I would say that if any differences exist between the two departments [State Department and Pentagon], these would be differences of opinion and views of the situation. But inside the great laboratory, at the decision-making table, all that is important favors Panama. Perhaps some influences, friendships, and political distortions are involved, but the Latin American situation itself demonstrates that Panama is the United States' best ally and partner and that Panama is the best place from which the United States can maintain peace in the region.

[SIN] The United States is accustomed to getting what it wants from practically every country on this continent. It also expects to get what it wants in Panama. I understand that the United States objects to Panama's secret banking system. What does it want from Panama?

[Noriega] When the banking center was created, following the recommendations made by the large U.S. economic organizations, we were experiencing a bonanza. One of the incentives for this banking center was the secret banking system. However, under the umbrella of this bonanza the tentacles of terrorism began to spread and grow: This was the drug traffic.

[SIN] Has the banking system been used to launder drug money?

[Noriega] This is exactly what is believed, and I can see the reason for this fear, because this very drug money would then be used to undermine security. However, mechanisms must be implemented, and we have suggested this, to stop this. One of the mechanisms is to fight against drug traffic.

However, the economic aspect of this issue and how it will affect the money that belongs to other people is not something for us to handle. This is up to the economic organizations. They are the ones that must find the best solution to this.

[SIN] General, that is a very interesting answer, and it brings us to another question. When you mention the shah, you said that this had been a Panamanian gesture toward our U.S. friends, you were referring to the Jimmy Carter administration. Comparing the past with the present administration, where does Panama stand? President Carter was called the friendly president. How would you describe President Reagan?

[Noreiga] Not all questions can be answered with a yes or no; some need explanations. I believe, and I said this at Harvard when Jimmy Carter's great historical role had yet to be recognized, that Jimmy Carter paid a costly personal and political price in the United States, but he managed to see a huge conflict in the offing. Just imagine what would have happened had the Torrijos-Carter Treaties not been implemented when they were. Today that problem would have been part of the Central American problem, and it would really be a time bomb.

Our relations with the Reagan administration are good, however we cannot say we are buddies. We are friends because Panama is its partner in the security guard company, and the United States is responsible for this company. Panama owns this land, and the Western Hemisphere and the whole world use our land. Our relations are respectful, and they are necessary. President Reagan is aware of the fact that this is needed for the future and that we are providing a strategic location. This is why he has said that the safety of the Canal could be endangered by certain actions.

[SIN] Panama plays an active role within Contadora. The Contadora Group foreign ministers have expressed their concern regarding the attitude of the Reagan government. First they say that they support Contadora then turn around and cut a hole under Contadora by giving support to the so-called contras, the FDN. Can you understand this?

[Noriega] This is a matter handled by diplomacy. However, we see that they hardly ever reach specific agreements. Violence is specific; violence is real. It is not an idea; it is not a dream. Death exists. Therefore, we must reach a specific point so that talks can begin. In the meantime I will not make any remarks, nor will I do anything. I do believe in the idea that Contadora must be strengthened. We also feel that Contadora should be strengthened militarily. A soldier knows of strategy. A soldier knows when he is being fooled by an adviser; when he is being fooled with the many sophisticated weapons or weapons that are foreign to the area. A soldier knows about the arms-population, arms-border, or arms-security proportions. Therefore, this should be handled by a section of the Contadora Group, without detracting merits, leadership, or honor from our political leaders in Contadora, who do not have military advisers to say that Nicaragua has failed, or is not fulfilling its commitments in this sense. We can prove this. Let Nicaraguan technicians come. We will demonstrate this. Military men speak another language, with which no one can deceive them. Everyone has heard about SALT II, a surface-to-air missile, etc. This is military jargon.

[SIN] Do you agree with the support for the contras?

[Noriega] As a Panamanian I prefer not to answer. I am the commander of the defense forces. This is why I prefer not to answer this question.

[SIN] You sound like a politician, General.

[Noriega] No. I simply believe that strategies should be kept secret. It is not a political matter. It is rather a state secret. Panama requires security. Its information should be kept secret and confidential.

[SIN] Torrijos threatened to blow up the Panama Canal if the treaty project failed to crystallize. As a demolition expert and the person in charge of security, did you participate in those plans?

[Noriega] Well, I think Torrijos said this to Jimmy Carter in a casual conversation. It was only a Torrijos' expression. He knew he should not do it because this would have been a sacrifice and, in addition, one of mankind's resources would have been destroyed. Torrijos presented this as a position of the moment.

[SIN] Like a poker move, a bluff?

[Noriega] Yes, exactly.

BRIEFS

AMBASSADORS PRESENT CREDENTIALS -- Two new ambassadors have presented their credentials to President Eric Arturo Delvalle. They are new U.S. Ambassador Arthur H. Davis and Venezuelan Ambassador Enrique Peinado Barrios. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 9 Apr 86 pC7 PA]

MALARIA CASES INCREASE -- Dr Alfredo Molto, general director of health, has denied that there is any dengue or yellow fever in the country but reported that approximately 400 cases of malaria have been detected nationwide. This means that there have been 200 more cases than in 1985. [Summary] [Panama City CRITICA in Spanish 4 Apr 86 p 48 PA]

AREA FOREIGN MINISTERS PLANNING ESQUIPULAS MEETING

View Issues

PA112144 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Apr 86

[Text] The Central American foreign ministers began a 2-day meeting in this capital today to prepare the presidential summit to be held in Esquipulas next month.

Nicaraguan Foreign Minister Miguel D'Escoto arrived in Guatemala last night, and his colleagues from El Salvador, Honduras, and Costa Rica, Rodolfo Castillo Claramount, Carlos Lopez Contreras, and Carlos Jose Gutierrez, respectively, arrived this morning. The first thing that D'Escoto did after receiving the greetings of Guatemalan Foreign Minister Mario Quinonez Amezquita was to blame the United States for the standstill in the negotiation process for the signing of a peace treaty.

[Begin D'Escoto recording, in progress] ...but we will continue, I reiterate, to be willing to resume, as soon as possible, right now, today, the negotiating process to settle pending matters and to sign the document as soon as possible. But as I say, we insist that the demands made by Contadora, the Support Group, and the Central Americans be met. If the North Americans do not want to, then they are to blame -- not Nicaragua or any other country -- for [words indistinct] this process. [end recording]

Regarding the incursion by Sandinist troops during Holy Week, Honduran Foreign Secretary Lopez Contreras talked about the type of aid his government requested from the United States to face this situation:

[Begin Lopez Contreras recording] Honduras asked for a military assistance, which is within the framework of the bilateral security relations existing between the two states. This assistance, as it has been officially announced by the Honduran Government, initially consisted of the transportation of Honduran troops to an isolated sector that is difficult to reach by land, to secure our territorial sovereignty and expel the Nicaraguan troops who had entered Honduras. This was the extent of the request for military assistance that Honduras made. I cannot say anything more for reasons you can obviously understand. [end recording]

Meanwhile, Costa Rican Foreign Minister Carlos Jose Gutierrez explained the circumstances under which the meeting held in Panama last week concluded without the signing of a peace agreement.

[Begin Gutierrez recording] What happened in Panama is that the 12 foreign ministers -- the 4 ministers of Contadora, the 4 of the Support Group, and 4 Central American -- reached an agreement. We reached an agreement on the Panama commitment at noon on Sunday. From then on, up until 1300 on Monday, all we did was to prepare an alternative formula so that the 13th participant, who did not want to sign the agreement, could have a formula that was acceptable. This resulted in something that was truly an anomaly: [Words indistinct] has 12 foreign ministers who accepted it, ratified it, and said that they were willing to implement it. Although an alternative formula was presened to the Nicaraguan foreign minister, he was unwilling to accept either the original formula or the alternative. [end recording]

In addition, the Guatemalan foreign minister reviewed the outlook for the upcoming meeting of Central American ministers from the Guatemalan viewpoint:

[Begin Quinonez Amezquita recording] As you know, the idea came from Guatemala, therefore, we feel that the parliament should have three [as heard] basic objectives which are: [words indistinct] the security of Central America -- and when I talk about security I am referring to how to maintain peace in Central America. The second objective is the political aspect. The parliament should be empowered to solve political problems within Central American borders in addition to solving economic problems. These would be the basic objectives that the parliament should have, but as I said, this is simply the Guatemalan opinion. We must learn the opinion of the other Central American countries. [end recording]

Approve Summit Agenda

PA120340 Panama City ACAN in Spanish 0208 GMT 12 Apr 86

[By Mario Rolando Sierra]

[Text] Guatemala City, 11 Apr (ACAN-EFE) -- The foreign ministers of the five Central American countries, who held a 2-day meeting here, approved the four-point agenda that will be discussed by the presidents in the area during the summit to be held in May in Esquipulas.

Guatemalan Foreign Minister Mario Quinonez Amezquita told ACAN-EFE that the foreign ministers' meeting "was very cordial and productive because we advanced significantly in preparing the agenda for the presidents' meeting."

The foreign ministers discussed, from noon Thursday until today, Friday, their view on the presidential summit, scheduled for 23 and 24 May this year in Esquipulas, a Guatemalan community close to the Honduran and Salvadoran border. According to Quinonez Amezquita, the following points were approved by the foreign ministers and "will be submitted to the Central American presidents for their final approval":

1. Contadora and the mechanisms concerning a political negotiation and security in the region;

2. The creation of a Central American parliament and its importance in the negotiation of all the political, economic, and security problems in Central America;

3. Reorganization of the Central American integration process (economic and social aspects), necessary procedures, and goals for cooperation with the EEC; and analysis of a future Central American economic and social community;

4. Strengthening of intraregional commerce and bases for the solution of the Central American debt.

Referring to the creation of a Central American parliament, which was suggested by President Vicinio Cerezo, Foreign Minister Quinonez Amezquita said: "A work commission will draft a project during a meeting next week in El Salvador."

"There is enthusiasm among the Central American foreign ministers concerning the creation of this parliament, and it is believed that it will be comprised of 10 parliamentary members for each country (a total of 50)," he added. The Guatemalan official emphasized: "The parliamentary members will first be appointed by each country, but the procedure will be discussed later, although direct elections are the best solution so that all political parties may be represented." He also said: "Once comprised, we will discuss which country will preside over it and where it will have its headquarters, although we might decide to have it on a rotational basis."

The preparatory meeting included the participation of Foreign Ministers Mario Quinonez Amezquita, from Guatemala; Miguel D'Escoto, from Nicaragua; Carlos Jose Gutierrez, from Costa Rica; Carlos Lopez Contreras, from Honduras; and Rodolfo Castillo Claramount, from El Salvador.

Quinonez Amezquita also revealed that they also discussed "the deadline -- which expires on Monday [as received] -- for signing the Contadora peace document, which was recently proposed in Panama." He said: "El Salvador already gave its reply and is ready to sign the document; Guatemala will also sign it after discussing the points concerning disarmament and security control; and Nicaragua promised to notify the foreign ministers and Contadora of its decision."

The Guatemalan foreign minister said that if Nicaragua refuses to sign the document "the other countries could do it, but this would be futile, because the conflict would still prevail." He underscored: "I think that we will know on Monday whether the document for peace and cooperation proposed by Contadora and the Support Group will be signed."

Quinonez Amezquita asserted that the Esquipulas summit "will also be attended by Panamanian President Eric Arturo Delvalle, because we will talk about Central America integration, and Panama also has the option of joining the Central American parliament." In conclusion, when referring to the joint Honduran-U.S. military maneuvers, with the participation of 9,000 soldiers, he said that "any rash arms and military buildup is bad and provokes a difficult situation in the area."

COSTA RICA

GOVERNMENT REGRETS NICARAGUAN CONTADORA STANCE

PA112023 San Jose Radio Reloj in Spanish 1200 GMT 11 Apr 86

[Text] The government, through the Foreign Ministry, has clarified its participation in the Contadora meeting held in Panama last weekend. Costa Rica attended the meeting with a willingness to set a deadline for the signing of the peace document. It was recalled that our delegation met with the Honduran and Salvadoran delegations prior to this meeting and that they issued a document that included a work plan. This plan included the dates to complete certain agreements and 29-31 May were the dates set for a meeting of the foreign ministers during which the peace document would be signed. The communique issued by the Foreign Ministry stated that from the moment the meeting began, Nicaragua stated that it could not sign the document under the current international situation. This was not the case with the other countries. The four other Central American countries accepted the so-called Panama commitment as proposed by Contadora and the Support Groups. According to the Panama commitment, the peace document should be signed on 6 June. The Costa Rican Government regretted the unwillingness displayed by Nicaragua and has ratified its determination to participate in the negotiations to come and sign the peace document on 6 June.

ARIAS DEPARTS ON 4-NATION TOUR 14 APRIL

PA131539 Paris AFP in Spanish 1502 GMT 13 Apr 86

[Text] San Jose, Apr 13 (AFP) -- Oscar Arias, president-elect of Costa Rica, will leave Monday 14 April, on a 1-week tour of Brazil, Argentina, Uruguay, Bolivia, and Peru.

The future Costa Rican leader, who will assume the Presidency on 8 May, will travel accompanied by Foreign Minister-designate Rodrigo Madrigal Nieto, and the next deputy minister of government, Alvaro Ramos, as well as his press secretary, Lidiette Brenes.

Arias will meet with the presidents of the four countries -- Jose Sarney of Brazil, Raul Alfonsin of Argentina, Julio Maria Sanguinetti of Uruguay, and Alan Garcia of Peru.

The social democrat Arias -- the winner of the 2 February elections -- is expected to return to Costa Rica the following Monday, 21 April.

MONGE AGREES TO WITHDRAW NEUTRALITY BILL

PA111940 San Jose Radio Reloj in Spanish 1200 GMT 11 Apr 86

[Excerpt] President Luis Alberto Monge has said that he has so much faith in the Costa Rican people that he would like to implement a plebiscite, or referendum, system, such as the one in Switzerland, to approve important bills. President Monge said that the people are very capable of making decisions on certain bills and added that he would love to see such a system implemented so that he could present the neutrality bill and have the people decide on this. The legislative debates on this issue have been affected for political reasons and in such a case the people would be asked to decide.

President Monge admitted that he had to negotiate with the Social Christian Unity [USC] to prevent a delay in the legislative work and that he had agreed to withdraw the neutrality bill. The president said that the USC was not willing to continue the debates and that he chose to leave several important bills to be handled by the next assembly. Monge said: We agreed to negotiate because we are interested in several other important bills, like the loans for the Cartago freeway. In order for this to be possible, we decided to withdraw several bills, including the neutrality bill.

Monge said that he was hurt because he had to give in and withdraw the neutrality bill, but politics is a realistic science and it was useless to keep those bills at the Assembly because this would mean that other important bills would not be discussed. Monge said: To get approval for some important bills I was forced to withdraw several bills, including the neutrality bill.

EL SALVADOR

GEN BLANDON VIEWS DISPLACED PERSONS PROBLEM

PA120009 San Salvador Television Educativa in Spanish 0130 GMT 11 Apr 86

[Text] General Adolfo Blandon, chairman of the Joint Chiefs of Staff, has said that the displaced problem is an integral part of the military plans for 1986.

[Begin recording] We are doing everything possible so that the people who have left the areas of conflict due to the pressures resulting from the current conflicting situation in the country can return to their homes to take care of their properties and work their land.

As part of a propaganda campaign to discredit the Armed Forces, it has been said that the troops force the people to leave those areas, but this is not true.

The truth is that after many years of conflict, these people can no longer stand the situation. They have said that they are tired of working for the subversives, because they must maintain them, feed them, and build fortifications and trenches. This situation has made them desperate, and they are now leaving the Guazapa and Chalatenango areas.

We have been frank with them. Whenever they have gathered at the command post, or in any other place under the auspices of the Red Cross and the Catholic Church, we have told them frankly that those who wish to return to their homes can do so; those who do not want to can go to a refugee camp or to an area for displaced people under the guidance of the Red Cross. The majority chose to go to the displaced areas for the reasons I mentioned before; very few of them have tried to return.

In some specific cases, as in the Guazapa area, I believe that the displaced people are being manipulated. They are being used as a political instrument. At no time have we opposed their return to Guazapa. The only requirement we have made is that we need to have a control, and therefore we want to know their names, where they are going to live, what they plan to do for a living, to have a control on the population in the area. This is for their own security more than anything else. [end recording]

HIGH COMMAND ISSUES COMMUNIQUE ON KIDNAPPINGS

PA112346 San Salvador Radio Cadena YSKL in Spanish 2100 GMT 10 Apr 86

[Communique issued by Salvadoran Armed Forces High Command; read by unidentified announcer direct from Copreta headquarters -- date not given]

[Text] Regarding the investigations being conducted by the security corps to clarify and determine who is responsible for several kidnappings, which in turn affect the nation's public security, the Armed Forces High Command states:

1. Its firm determination to continue the investigations to clarify the kidnappings, so that those implicated can be arrested and judged by the pertinent courts, in accordance with the law.

2. This determination, which is based on its constitutional duties of maintaining peace, tranquillity, and public security, is supported by all the brigadier commanders, general directors, commanders, and chiefs of other branches of the Armed Forces.

3. Should any member of the armed institution be involved in the kidnappings, the Armed Forces is willing to support all the necessary legal actions so that the person can be thoroughly investigated and so that the court can determine his guilt or innocence.

4. Regarding the rumors and speculations concerning the incidents noted in the media, in which names of civilians and military personnel are specified: Out of respect for the individuals' prestige and honor, it is recommended that reports be based exclusively on the official information made available at an opportune time by the investigating authorities, in order not to hamper the investigations.

5. Consequently, the Armed Forces reiterates its commitment to the Salvadoran people in the sense that it will continue with its efforts to carry forward all the necessary actions that will contribute to maintaining and safeguarding the institutions's prestige in complying with its constitutional role.

Peace is our objective!

COPREFA REPORTS HELICOPTER CRASH NEAR SAN MIGUEL

PA122322 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 12 Apr 86

[Coprefa communique; read by unidentified reporter]

[Text] An air accident has occurred in San Miguel. A helicopter of the Salvadoran Air Force crashed today in Agua Zarca canton, 5 km northwest of the city of San Miguel. The aircraft, a UH-1H, was on a routine mission in the area at the time of the tragedy. According to preliminary investigations, the helicopter plunged into a hill in the area as a result of bad weather and mechanical failures. The crew members, 2d Lieutenants Carlos Alejandro Orellana and Jose Roberto Calderon and gunnery soldiers Efrain Diaz Chicas and Gerbert Orlando Rivera died in the accident.

FMLN Claims Downing

PA130145 (Clandestine) Radio Venceremos in Spanish to El Salvador 0010 GMT 13 Apr 86

[Text] Attention: We have a last-minute report. The FMLN has downed a helicopter in the country's eastern region. We repeat: The FMLN has downed a helicopter of the Duartist Armed Forces in the country's eastern region. We can give a preliminary report that a special FMLN unit has downed a U.S.-made Duartist Air Force helicopter, a UH-1H helicopter. The helicopter was downed north of the city of San Miguel, in the area of Agua Zarca, Las Mesas.

We repeat: A UH-1H U.S.-made helicopter has been downed by a special FMLN unit. This Saturday, 12 April, in the morning, a special FMLN unit downed this helicopter in the area of Agua Zarca, Las Mesas. The preliminary reports we have received confirm that the helicopter's crew, including two officers, died.

We are expecting more reports on this new guerrilla victory of the FMLN in El Salvador's eastern region. With the downing of this helicopter, our guerrilla forces have downed 44 aircraft. The FMLN had already said that it was going to improve its technical anti-aircraft capabilities, and we are doing it. We urge our people to be on the alert for reports we are expecting from the area north of San Miguel where the U.S.-made helicopter was downed.

We repeat: This morning, a special FMLN unit downed a military helicopter of the Duartist military regime. As soon as we receive more information on this, we will broadcast it to our people. Revolutionary greetings to the FMLN unit that this Saturday downed another vulture of [General Rafael] Bustillo.

Further Report

PA131600 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 13 Apr 86

[Excerpt] The FMLN has downed a helicopter of the Duartist Air Force. On 12 April, in the early morning, a special anti-aircraft unit of the Amilcar Hernandez Battalion of the FMLN Rafael Arce Zablah Brigade downed a U.S.-made UH-1H helicopter in the area of Agua Zarca, a few kilometers north of San Miguel. Our anti-aircraft unit was in that area to ambush a helicopter used by the top commanders of the 3d Infantry Brigade, headquartered in San Miguel. In the downed helicopter there were two 2d lieutenants who were pilots, and two gunnery soldiers. The entire crew was killed.

VENCEREMOS REPORTS ARMY ACTIONS IN ARCATAO

PA112026 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Apr 86

[Text] Radio Venceremos, voice of the workers, peasants, and guerrillas, begins this program reiterating the report about the incidents that occurred in Arcatao, Chalatenango Department, at approximately 0545 on Tuesday, 8 April, three A-37 planes, two (?OB) light airplanes, and three helicopter gunships heavily bombed and strafed Arcatao and its surroundings.

At 0700, 23 transport helicopters arrived at the area, bringing a squad of paratroopers who were reinforced by treasury police on the ground. These troops immediately began to surround the town, and later they search houses at gunpoint, insulting and hitting people and forcing them to gather in the church.

A few minutes later Colonel Caceres Cabrera arrived and immediately ordered his troops to savagely torture children, elderly people, and women. They violently interrogated them by crisscrossing their chests with a knife and demanded to know why they had not supported the troops on 16 March when they carried out their civic action tasks.

The report from Chalatenango indicated that the torturers painted and covered their faces. The only one who did not cover his face was Colonel Caceres Cabrera who, amid savage tortures, ordered that the torturers cut the throats of Edmundo Lopez, Domingo Rosas, an individual known as Lolo, and another unidentified person, all of them elderly men.

The crimes and tortures carried out by the puppet troops, headed by Colonel Caceres Cabrera, on Tuesday, 8 April, lasted 12 hours during which they ransacked and destroyed the houses and businesses of Arcatao. At the end of the action against the civilian population, Caceres Cabrera gave the people 48 hours to leave the town or the Salvadoran Air Force would make the town disappear completely. As is known, three foreign correspondents -- two of them LATIN-REUTER employees and one of them a BBC correspondent -- were captured in this genocide action. The puppet Army, headed by Caceres Cabrera, seized their journalistic material from them. This action shows Napoleon Duarte's democratic masquerade that [words indistinct] freedom of information, clearly showing the true criminal and corrupt nature of this regime.

We recall that in December 1981 Colonel Caceres Cabrera, together with the late Colonel Domingo Monterrosa, headed the El Mozote genocidal action. More than 1,000 peasants were cruelly killed in this action. After that, Caceres Cabrera became known as the executioner of El Mozote. We reiterate our call to humanitarian organizations and the church to help the Arcatao residents, victims once more of the terrorist actions of Napoleon Duarte's puppet Army.

GUATEMALA

ALLEGED LIBYAN-LINKED AIRLINER THREAT 'BAD JOKE'

PA130404 Madrid EFE in Spanish 2334 GMT 12 Apr 86

[By Mario Rolando Sierra]

[Text] Guatemala City, 12 Apr (EFE) -- Foreign Minister Mario Quinonez told EFE today that "there is no indication that there is a pro-Libyan command in Guatemala." He made the statement after an alleged terrorist threat against an Iberia airplane was reported.

The minister said: "Neither the government nor its security organizations have any evidence that there is a Libyan or pro-Libyan commando operating in the country." The foreign minister stated that last Thursday's threat that a bomb would explode in an airplane of the Spanish airline Iberia "was an unfounded rumor."

The daily EL GRAFICO reported today that "an arm of international terrorism, presumably supported by Mu'ammar al-Qadhdhafi, head of the Libyan revolution, could be in Central American territory, specifically in Guatemala." The morning newspaper noted this hypothesis in referring to a threat that "a bomb would explode in an Iberia airplane that flew to Panama Thursday at noon." The Iberia office in this capital received a telephone call in Spanish "warning about a bomb." Government security forces and explosives experts went to the airport and carefully searched the installations and the airplane. They concluded that it had been "a false alarm."

The supposed anonymous terrorist had said that the airplane would explode, "because Libya will never be defeated by U.S. imperialism." The foreign minister today said: "Nothing happened. Fortunately, the warning was just that and the plane landed normally in the Panamanian capital."

EL GRAFICO wonders if "the eyes of Al-Qadhdhafi are upon Central America" and concludes that with the warning or threat to blow up the plane that made a technical stopover at 1100, "there is the possibility that terrorist commandos who are followers of the Libyan leader could be in Central America."

Security authorities view the incident "as a bad joke," but nevertheless, prevention and control measures have been increased at La Aurora Airport. Devices that detect arms and explosives have been placed at the main gates, and passengers boarding airplanes of the various international airlines are being carefully checked.

Foreign Minister Quinonez stated he has been informed that "no Libyan citizen has entered Guatemala in the past 2 months, although there is no prohibition against them entering as tourists." However, as a result of the conflict that has emerged between the United States and Libya, the watch at the U.S. Embassy and other U.S. entities in Guatemala has been increased.

GAM HOLDS WEEKLY DEMONSTRATION FOR MISSING

PA121341 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 12 Apr 86

[Text] As it has been doing every Friday, the Mutual Support Group [GAM] today demonstrated in front of the National Palace to demand that President Cerezo (?suspend) delaying measures and frankly and openly confront the past and the 40,000 people who have been reported missing. They demanded the immediate formation of a mixed investigating commission, including representatives of governmental and nongovernmental agencies, to clarify the fate of the thoudands of Guatemalans reported missing during the years of repression of military governments.

The group's protests occur in the framework of a certain hostility between this group and President Cerezo. Their relations began to deteriorate after their first meetings. Meanwhile, GAM has continued its struggle and does not plan to give up. Its president, Linette de Garcia, accompanied by Erlindo Jucho, member of the board of directors, is touring European countries seeking international solidarity with their cause. In her statements to the European press, De Garcia vigoriously reported that human rights violations have continued in Guatemala despite the change of government which, contrary to what was anticipated, responds to a military policy.

AZCONA LINKS U.S. ADVISERS, CONTADORA SIGNING

PA120002 Madrid EFE in Spanish 2346 GMT 11 Apr 86

[Text] Madrid, 11 Apr (EFE) -- If Nicaragua signs the Contadora Document, in 24 hours there will not be a single U.S. soldier or military adviser left in Honduras, President Jose Azcona Hoyo told the "Hour 25" program of the Spanish radio station "Cadena Ser." During the program Azcona also denied that his country is being pressured by the U.S. Government to intervene militarily in Nicaragua. Regarding the statement by the U.S. Embassy in Tegucigalpa about coordination between Libya and Nicaragua to carry out a terrorist campaign in Honduras, Azcona Hoyo did not dismiss such a possibility.

The Honduran president denied that he is acting under Washington's orders. "I am not," he said, "a lackey of the U.S. Embassy in my country; my greatest concern is the increasing arms buildup in Nicaragua."

Jose Azcona, who spent most of his youth in Spain, told "Hour 25" in conclusion that he might make an official visit to our country during the coming year.

Further Remarks

PA120204 Panama City ACAN in Spanish 0035 GMT 11 Apr 86

[By German Reyes]

[Text] Tegucigalpa, 11 Apr (ACAN-EFE) -- President Jose Azcona Hoyo said today that his country is nobody's lackey and will never kneel to any nation.

This morning the Honduran president granted an extensive telephone interview to a Spanish radio and television network. He said that Honduras will never engage in a war with Nicaragua. He noted: "Mr Ronald Reagan, President of the United States, knows perfectly well that Honduras does not want war with Nicaragua, despite the fact we are concerned about the consolidation of a Marxist system in that country."

The Honduran chief of state said that the approval or rejection of the $100 million in aid that Reagan has requested for the Nicaraguan counterrevolutionaries is a problem of the United States, not of Honduras. He also said that the rebels struggling against the Managua government must fight in Nicaraguan territory. The president said that Nicaragua's problem is of a domestic nature, because the liberties to which people are entitled are not respected in that country. The Honduran Government is concerned with the arms race and the consolidation of Nicaragua's political system, "because it could have repercussions on our country in the future," the president said.

He added: "We hereby reiterate that we do not want war with that neighboring country, which has more than 250,000 troops, while we have barely 17,000 men, including the police." Honduras believes that Nicaragua's arsenal amounts to more than $1 billion in military weapons, that liberties are not respected in Nicaragua, and that the people have to form lines to acquire food.

Nicaraguan President Daniel Ortega "has said that the Soviet Union and other friendly nations have provided these arms free of cost in exchange for I do not know what, as no one gives anything away for nothing," the Honduran president said.

Azcona Hoyo then went on to say that his country has serious economic and social problems and that he, as a democrat, struggles to promote social justice as much as possible.

He said he is against the ultraright, and explained that his party, the Liberal Party, is more to the left than to the right, to such a degree that to a certain extent it sympathizes more with the U.S. Democratic Party than with the Republican Party, which represents the political line of President Reagan.

We are accused of obeying orders from the United States, "but that is not true. We are a nation with dignity, and we will not kneel to anyone," Azcona said. He noted that no European nation or that of any other part of the world has the courage to "confront" the United States and that many countries criticize Honduras for being an ally of the United States.

He also referred to the presence of U.S. military installations in several European countries and to Spain's decision to remain in NATO despite the fact that this organization is directed by the United States. He noted: "No one says a thing about the installation of euromissiles over there." "What happens," he added, "is that we are in a region under more influence. This, however, does not mean that we are a lackey country. We have problems, and we are looking for ways to resolve them for the benefit of our people."

The Honduran president, whose parents were born in Spain, said he lived in Spain for many years, when the Iberian Peninsula was facing big problems. He said: "I lived in Spain during the days when workers had one tomato for dinner. Now I am happy because the land of my parents has overcome many problems."

During the interview, which was broadcast in this capital by the Voz de Honduras Network, President Azcona referred to his country's grave economic problems resulting from the crisis affecting all the countries of the world, including the developed countries. Azcona believes that it would be suitable for all the underdeveloped countries to unite to jointly negotiate the foreign debt. He also accused the big powers of paying low prices for the products they buy and of charging high prices for what they sell, something that represents a grave problem for the economies of small countries.

He noted: "All the big countries have squeezed" the poor countries. "We sell them cacao, and they send back expensive chocolate bars." Azcona concluded by saying that he will go to Europe next year and that he could visit Spain. "But now," he said. "I cannot go because in this country we still have some archaic systems, to the degree that every single agreement must go through the Presidential House. This represents a very tiresome task that requires many hours of work."

AZCONA ANSWERS CRITICISM OF ADMINISTRATION

PA111857 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 11 Apr 86

[Interview with President Jose Azcona Hoyo by reporter David Romero Ehrler at Presidential House -- live, broadcast in progress]

[Excerpts] [Azcona]..No, I do not think there is any interest in destabilizing. In the case of Post Office [workers' strike] the union played the matter up somewhat. I think they should have held talks before adopting those decisions. However, I think the matter is already settled.

[Romero] Previous governments have resorted to force to control strikes by trade union movements.

Are you prepared to use violence to quell this type of protest demonstration?

[Azcona] No. I will not carry out any acts of repression. Even in the case of demonstrations, anyone wishing to stage demonstrations one way or the other can do so perfectly well. We are in a completely free country. There will be no repression of any kind.

[Romero] Engineer Azcona, are you satisfied with the manner in which you have handled public administration thus far in view of some of the sectors' attempts to criticize you?

[Azcona] No strong criticisms have been made by any sector. I think that the criticisms that this government has been working slowly are sometimes due to a lack of information. I say it is the contrary. Perhaps what has been lacking is publicity about what we have done.

[Romero] Did you investigate your close aide who said, or tried to contradict, [statements] here at Presidential House and said that the United States pressured you into seeking aid?

[Azcona] Well, I think that everyone must [word indistinct] his conscience. I have not investigated. I do not know if this was true because all that has been aid is not very coherent. You know, it might even be someone who is not a close government aide who, looking for notoriety, spoke to reporters about this controversial and current topic.

[Romero] This ends this exclusive talk with Engineer Jose Azcona Hoyo, who has discussed several aspects of his administration during these past 90 days in office with us.

SANDINIST TROOPS FREED; EXCHANGE EXPECTED

PA111901 Panama City ACAN in Spanish 1740 GMT 11 Apr 86

[Text] Tegucigalpa, 11 Apr (ACAN-EFE) -- Honduras today turned over to Nicaraguan Ambassador Danilo Abud Vivas seven Sandinist soldiers captured inside Honduran territory during Easter Week. The soldiers were turned over to their government representative at the offices of the Honduran Red Cross in the presence of International Red Cross officials and members of the local and international press.

The Honduran Government and Army representatives stressed that the transfer of the prisoners was a "gesture of goodwill" by Honduras, expressing their hope that "the aggressive actions by Nicaragua's Sandinist Army will not be repeated."

The soldiers who were released are Mario Salomon Hernandez Mayorga and Carlos Sandino Ocon of the "Francisco Estrada" Battalion and Rolando Jose Flores Tinoco, Panfilo Gutierrez Martinez, Bayardo Ramon Ulloa, Jose Mejia Bonilla, and Jose Abraham Sosa Aleman of the "German Pomares" Battalion. The Sandinist soldiers were captured during a Nicaraguan military incursion into Honduras in mid-March.

All of the prisoners are in good health, except Carlos Sandino Ocon, who underwent surgery in Tegucigalpa's Chest Hospital, where he is recovering from the operation.

Ocon will remain under the responsibility of the Honduran Red Cross, which will repatriate him as soon as he is released from the hospital. His comrades-in-arms left for Nicaragua today aboard a special flight.

Ambassador Vivas said that to reciprocate the gesture today the Nicaraguan Government will release 12 sailors and a Honduran vessel currently being held.

ANTI-U.S. 'MISINFORMATION' CAMPAIGN DENOUNCED

PA110358 Tegucigalpa EL HERALDO in Spanish 10 Apr 86 p 31

[By Carlos Matute Rivera]

[Text] La Ceiba -- Colonel Carlos O. Reyes Barahona, commander of the 4th Infantry Battalion with headquarters in this city, has stated that a misinformation campaign has been unleashed here to deceive the people and make them believe that the Americans are in Honduras to inflict damage, thus creating a deliberately erroneous picture to confuse the people.

The military officer issued this statement during the ceremony to mark the closure of Course C-1-7, which was given by Group 7 of the U.S. Army's Special Forces to Riflemen Company A, Military Police, and other members in the unit.

Reyes Barahona added that a campaign was recently launched to discredit Honduras, particularly its Armed Forces, so small mistakes have been sought and exploited in such a way that the people will think that the Americans must leave the country.

The 4th Infantry Battalion commander said in his statement that he wanted to mention this because Hondurans who are aware of the problems we are facing should reject this campaign and remember that no one will deter the Armed Forces from fulfilling their duty of training all the members so that they may fulfill their constitutional duties. We will continue to fulfill our duties and carry out our training programs, particularly receiving the aid the U.S. Army gives us, he emphasized. "We have witnessed how different private and official organizations have been infiltrated by these campaigns; many people have fallen for these political campaigns. Let us hope that those who have fallen for this lie will not try to amend their ways when it is too late, because they would be sacrificing their lives and the lives of innocent people as soon as the terrorists see that the way is open and made easier by the negligence and complicity of people who still do not believe, or do not understand, what is taking place in Central America."

The ceremony was honored by the presence of Americans who are at the 4th Infantry Battalion, including Major William Carlton Counsil, commander of the 7th Group of the U.S. Army's Special Forces.

CONGRESS PRESIDENT VIEWS AREA PROBLEMS

PA111530 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 10 Apr 86

[Interview with Carlos Orbin Montoya, president of the Honduran National Congress, by Jose Emilio Soriano at the Rotary Club in Tegucigalpa; date not given -- live or recorded]

[Excerpts] [Montoya] We have based our international policy on the defense of our security and on peace.

[Soriano] In what order?

[Montoya] In that order, and we respect the peaceful solutions within the norms of international law; therefore, we will defend all the international agreements we have signed.

We recognize our military alliance with the United States. This is the formal side; the political side is that we will put forth our best efforts to maintain peace in the region and for us to remain neutral. We consider the Nicaraguan problem a by-product of that revolution's pro-Soviet alignment. This alignment creates elements for confrontation in the region. So long as this is not resolved in Nicaragua, it will be very difficult to achieve internal peace in that country.

[Soriano] What can the Honduran National Assembly do about an unconventional army such as the anti-Sandinist Army?

[Montoya] We try to keep it out of Honduras.

[Soriano] How?

[Montoya] We hope that with the aid they receive from the United States and other sectors they will be able to move away from our border and go deep into their country and carry out their political and military struggle.

[Soriano] Did you not say that the $100 million involves Honduras even more in the conflict?

[Montoya] My words were: It can gradually involve us. We will do all we can to prevent this.

[Soriano] How does the Assembly feel about the U.S. Congress debates on this aid for the Army currently in our country?

[Montoya] That is a problem of U.S. policy.

[Soriano] Does it affect us?

[Montoya] Yes, of course it affects us in one way or another; however, this is a U.S. domestic matter. I think if Nicaragua does not resolve its domestic problems in accordance with the agreements it made with the OAS, the armed confrontation in Nicaragua is unstoppable.

[Soriano] What do you think about President Ortega's statement about that Honduran area being a no-man's-land and the fact that this was ratified at The Hague?

[Montoya] He is saying this only to justify his Army's incursion into Honduras. We do not accept this. Our borders are defined. The land is Honduran, and when foreign troops cross into it we must defend our sovereignty.

[Soriano] Do you think we can call the United States our ally when we are not economically or militarily equal?

[Montoya] Alliances can be formed despite this. I can tell you something that is very important. I believe that the world is changing, and I believe that U.S. foreign policy was proven positive in Haiti, the Philippines, Brazil, and Argentina. I also think it was positive in (?Chile). I believe they are not mistaken when they express their concern, as we do, because of the hegemonic presence of the USSR in Nicaragua. Nicaragua has an Army made up of more than 350,000 men, and it has modern equipment. Managua is closer to Washington than Los Angeles. A Soviet base in the heart of the American continent represents an aggression.

NICARAGUAN REFUGEES ARRIVE IN GRACIAS A DIOS

PA110409 Tegucigalpa La Voz Evangelica de Honduras in Spanish 0200 GMT 11 Apr 86

[Text] Reports from Auca, Gracias a Dios Department, indicate that thousands of Miskitos from the northern zone of Zelaya Department, Nicaragua, are arriving in Auca and Tapanlaya, Miskito communities in Gracias a Dios Department, on the Atlantic coast of Honduras. According to them they are coming to Honduras fleeing the Sandinists' attacks on their villages along Coco River, Nueva Segovia Department.

The refugees, approximately 500, mostly women and children, have arrived in Auca, a Honduran community 16 km from the Nicaraguan border.

The UN High Commissioner for Refugees, UNHCR, representative in Auca reported that the refugees appear very tired after walking for 2 days. They are taken care of with rice, beans, medicine, and other vital needs, such as water and housing, it was reported.

There are currently 22,000 Nicaraguan Miskito refugees from the Atlantic coast of Nicaragua in Gracias a Dios Department, in addition to the 35,000 mestizos in refugees camps in El Paraiso Department, in the eastern part of Honduras. Added to the 17,000 Salvadoran refugees in the western part of the country, Honduras has approximately 80,000 refugees of Nicaraguan and Salvadoran nationality.

NICARAGUA

PRESIDENT ORTEGA ISSUES MESSAGE ON CONTADORA

PA121336 Managua Domestic Service in Spanish 1232 GMT 12 Apr 86

[Message by President Daniel Ortega Saavedra from the Presidency's Directorate of Press and Information in Managua -- live]

[Text] We all know that on 7 April in Panama the Contadora and Lima Groups issued a communique addressing the Central American governments, stating very precise points about negotiations on the Contadora Document. These were the pending points to achieve the completion of the agreement.

The Nicaraguan Government, through our Foreign Minister, Father Miguel D'Escoto, adopted at this Panama meeting a firm and very clear position, which was also flexible and was explained to the Contadora and Lima Groups. After learning of the proposal of the Contadora and Lima Groups, we have been analyzing it.

Early today I contacted President Alan Garcia, who is visiting Uruguay, because last night we received a message signed by President Julio Maria Sanguinetti of Uruguay and President Alan Garcia Perez of Peru. Since we already had a response for the Contadora communique at that time, we sought to contact Presidents Sanguinetti and Garcia. It was between midnight and the early morning hours when we contacted President Garcia at the Montevido airport to tell him that Nicaragua was going to announce its position this morning. We also told him that our position is within the framework of the document the letter, which we received from President Sanguinetti and President Garcia.

Among other things, this letter states:

We have confirmed that the recent meeting of foreign ministers of Central America, the Contadora Group, and the Support Group was close to the possibility of reaching an agreement that would permit the culmination of the negotiating process for the text of the Contadora Document for Peace and Cooperation in Central America on a specific date, 6 June of this year, under the clear understanding that the signing and implementation of that document would be subject -- free of any pressure -- to certain conditions that guarantee that the security of each and every country of the area not be threatened.

We do not give up our conviction that there is no other alternative for a [word indistinct] and lasting peace than diplomatic negotiation. For this reason, we resort to your high Latin American spirit so that your [word indistinct] government accept the invitation in the recent Panama communique issued by the Contadora and Support Groups.

In another part of the letter they continued: [Words indistinct] reiterate our vigorous rejection of any foreign interference, threat, or use of force in that region, and we issue a strong call to countries with ties and interests there so that applying the principle of simultaneity [principio de simultaneidad], to observe the bases and carry out the actions mentioned in the Caraballeda message and abstain from taking any action that may foil the objective established, particularly the support for irregular forces and insurrectional movements operating in the region.

I have cited, literally, the parts we think are the most substantial in the message we received yesterday from Presidents Sanguinetti and Garcia. I informed President Garcia about the contents of Nicaragua's response in which our positions continue to be firm regarding the defense of Nicaragua's sovereignty and self-determination, but at the same time we are flexible for the benefit of peace.

Here is our communique:

Regarding the declaration that the Contadora and Support Group foreign ministers issued in Panama on 7 April requesting a deadline of no more than 8 days to learn the stand of the Central American states, the Nicaraguan Government wants to state the following:

1. For the past 4 years our country has been a victim of U.S. aggression. To date, the government of President Reagan, defying international law and the condemnation of the world's governments and peoples, continues to be determined to increase the aggression against our people that has already claimed thousands of dead and wounded and cost billions of dollars in economic losses and in the destruction of our productive installations.

2. Nicaragua was the first and only Central American country to fully approve the Contadora document of 1984 which was rejected and openly sabotaged by the U.S. Government.

3. The modified Contadora Document, which appeared as a result of the difficulties created by the United States, contains points that are unacceptable as they seriously harm the country's sovereignty and security.

4. The Nicaraguan Government supports the affirmation contained in the 7 April declaration that the process of diplomatic negotiation, sponsored by the Contadora Group, is the viable means to reach a political understanding that would permit peace and cooperation in Central America, although this action should not and cannot be linked with a Nicaraguan literal acceptance of the proposal of the modified Contadora Document.

5. The Nicaraguan Government confirms its support for and notes the validity of the Carabelleda message of the Contadora and Support Groups on 12 January 1986, and ratified by the Central American countries a few days later in Guatemala and later in Punta del Este, Uruguay.

6. The Nicaraguan Government accepts the invitation addressed to the five Central American governments to immediately resume negotiations on the only two pending aspects in the Contadora Document concerning the control and reduction of weapons and military maneuvers.

7. Nicaragua agrees to sign this document on 6 June, so long as the U.S. aggression against Nicargua has completely ended by that date and so long as an agreement is reached on the points pending in the modified document; all of this within the framework of the simultaneity concept explicitly mentioned in the Caraballeda message.

8. Nicaragua is a country attacked by the most powerful imperialist power on the earth. No nation, under those circumstances, would agree to become unarmed. Therefore, if the U.S. aggression does not end, Nicaragua declares that under no circumstance it will agree to disarm in the face of the United States because it would be a betrayal of our people which the Sandinist revolution will never commit.

9. Nicaragua accepts and fully supports the proposals contained in the 7 April declaration, which stated that to achieve peace in the region it is essential that any intervention of one state in the domestic affairs of another end because it is incompatible with the principles and norms of the UN Charter and the OAS, and it is a flagrant violation of international law.

10. Nicaragua ratifies its willingness to immediately form a civilian commission with Costa Rica to investigate and inspect border incidents between the two countries and expressed appreciation for the willingness stated by the contadora and Support Groups in Panama to conduct a general inspection of the common border between the two states, in April 1986, to establish the needs of the civilian commission so that the commission can be established soon.

11. Nicaragua is willing to immediately form a similar commission with Honduras in which the Contadora and Support Groups will have equal participation.

12. Nicaragua ratifies its decision to resume, as soon as possible, the bilateral talks with the United States that contribute to seeking stability and peace in Central America.

13. Nicaragua, a Latin American country that is a victim of the brutal and unjustifiable aggression of the U.S. Government, urges the governments of the Contadora and Support Groups to act in line with this reality.

The people and Government of Nicaragua, which are facing the terrorist escalation of the U.S. Government today, are certain that the solidarity of the heroic peoples of Latin America and the Caribbean, together with the solidarity of all the peoples of the world, including that of the U.S. people, will help us defeat the aggression to achieve peace.

Thank you.

ORTEGA REITERATES VOW TO CONTINUE DEFENSE

PA131403 Buenos Aires REUTER in Spanish 1312 GMT 13 Apr 86

[By Agustin Fuentes]

[Text] Santo Domingo, Chontales, Nicaragua, 12 Apr (REUTER) -- In an open air speech, delivered today in a small square beside the local church, while the silhouettes of Sandinist soldiers could be seen in the hills surrounding this city, located 200 km east of Managua, President Daniel Ortega told some 500 farmers that "so long as the aggression supported by the United States continues, there will be no arms reduction in Nicaragua."

"We have said that we will sign the Contadora peace document when the aggression ends," he added, "but so long as it continues, we will continue fighting. We will continue to bear arms, and we will continue to send arms to those who do not yet have them, so that all Nicaraguans will be able to defend their land, their lives, and the lives of their children, and so that they can face up to and defeat a U.S. invasion.

As Ortega was speaking under an exhausting tropical sun, two Soviet-made M-24 helicopters circled low over the tops of the steep hills. There was good reason for this, according to Ortega himself, since the contras, as the rebels who are trying to unseat the Nicaraguan Government with U.S. help are called, attacked this town in November.

"On that occasion," Ortega said, "they were unable to enter. They were repelled by the militia and later pursued by the Army, and they suffered considerable losses."

Ortega arrived here guarded by soldiers in several "jeeps" that traveled in front and behind the Japanese-made station wagon that he drove himself on a mostly macadam highway with numerous curves and slopes through the hilly territory. Army officers have reported that in the northern part of this same Chontales Department, the Sandinist Army is fighting the contras, using several "unconventional warfare battalions," and the first two light infantry and counterinsurgency battalions.

Questioned by reporters after the ceremony, as he was making his way among children who approached to shake his hand, Ortega said of the voting that is to take place on Tuesday in the U.S. House of Representatives: "With or without the $100 million, the aggression will continue. We are sure of it because Reagan, as U.S. politicians themselves have stated, is determined to attack Nicaragua. He is possessed by the obsession to destroy us."

"If the $100 million is approved," Ortega continues, "the contras will have more money to steal, but this will not save them from defeat, and when we have defeated them Reagan will send the Yankee Marines. That is why we are prepared to defend ourselves."

ORTEGA VIEWS ROLE OF RELIGION, DIALOGUE

PA120305 Managua BARRICADA in Spanish 11 Apr 86 p 5

[Text] President Daniel Ortega yesterday told more than 700 persons who are participating in the Fourth Retreat of Interdenominational Representatives of Evangelical Pastors (RIPEN), that the Sandinist revolution has noticed that as a result of its victory, there is a confrontation between those who want to turn religion into an opiate for the people and those who want to defend it as a factor for liberty.

The various evangelical denominations comprised in the Evangelical Committee for Development (CEPAD) are meeting at the La Boquita Tourist Center. They have the task of analyzing how to best safeguard the unity of the church from a social point of view, so that it may continue to be a factor of liberty in spite of the efforts of those who want to destroy the Sandinist revolution.

In analyzing why the Reagan government wants to destroy the revolution, Ortega said that this is a communications problem with historic roots, a problem of communication between the various U.S. administrations and the [Latin American] people, a fact that either dismisses or reduces any possibility of an effective dialogue between the United States and Latin America.

He stated: "This explains why the United States wants to destroy us. It functions with a basis on the premise that if you are not with them, then you are against them. It cannot imagine a policy of nonalignment. It is concerned over the fact that a revolutionary process is being consolidated in Nicaragua where there are already visible signs of respect for religion, of the participation of Christians in the moral transformation taking place in the country, of a mixed economy, of political pluralism, and of a transformation plan that represents an example of independence and dignity coming from a small country which is under attack, an example for the other Latin American nations."

Daniel Ortega noted that according to the Reagan government, Nicaragua has become a bad example for Latin America because even the Latin American governments will have to wonder how a country such as ours continues to resist. What couldn't the big Latin American countries do that have big resources? If Nicaragua can resist, how strongly and firmly would the developed Latin American countries be able to resist? Ortega wondered. [paragraph as published]

The Nicaraguan president also asked: What would happen if Latin America unites to form a great front to force the United States to change its attitude? There would be a multiplication of forces, and Reagan could no longer subject the Latin American people.

Ortega reaffirmed the revolutionary government's disposition to talk with the top chief of the counterrevolutionaries (Reagan), and noted that there is no way that a correspondence can be found between a Sandinist government-contra dialogue and a dialogue between the Salvadoran regime and the Salvadoran guerrillas, because the former is a case of a war promoted from abroad; the latter is the case of the rising of an entire nation against social injustices.

Daniel Ortega stated: "Nicaragua's outlook for peace is still painful. When cause is just and truthful, when it benefits the people, and when it is loaded with love, it suffers persecution and leads to martyrdom. History contains many examples of this, one of them is that of Christianity, which was not the work of a few days, was not applauded by everybody, and which suffered international isolation, persecution, torture, and death."

RELEASED EPS SOLDIERS RETURN FROM HONDURAS

PA120414 Managua Domestic Service in Spanish 0205 GMT 12 Apr 86

[Excerpts] Dear listeners of the Voice of Nicaragua, five fighters of the EPS, who were turned over by the Honduran Red Cross today, arrived in the country via the Augusto Cesar Sandino Airport a few minutes ago.

The EPS fighters entered Honduran territory during clashes at the border area with mercenary forces. One of them was wounded and was immediately transferred to a hospital.

They were met by Guerrilla and Brigade Commander Hugo Torres, and by Commander (?Ene Blank). Here is part of the press conference offered by Commander Hugo Torres, and the statements made by the fighters upon arriving at the Sandino Airport. Let's listen.

[Begin recording in process] [Torres] ...Comrades who have just arrived in the country, six comrades who have arrived from (?Honduran) territory [words indistinct] (?Present here is) our comrade ambassador to the Republic of Honduras, our Comrade Abud. We are very happy to welcome back our comrade EPS member who participated in the EPS operations during the past few weeks and days against the mercenary forces. They were captured in Honduran territory, at the Honduran-Nicaraguan border, as a result of the persecution we have launched against the mercenary forces. They are present here, and you will have an opportunity to ask them some questions. We interpret their prompt return to our country as a goodwill gesture by the Honduran Government, which further encourages us to continue trying to improve our relations with that nation. It is indeed a permanent necessity to preserve peace and to maintain the best relations and utmost stability between the peoples and governments of both countries. The comrades will now answer your questions.

[Unidentified reporter] Could one of you tell us how you entered Honduran territory?

[First unidentified soldier] Well, as Commander Torres said, we were basically participating in fighting, in other words, in operations against the FDN at the border area. As you know, during a battle one must definitely fight against the enemy attacking our peasants. At a given time, we were captured by the Honduran Army at the border area, at the borderline. That is how we were captured.

[Reporter] How were you treated by the Honduran Army while in Honduran territory?

[Soldier] We were captured at the borderline, in the border area. We were treated well at all times, at least I was, and I believe my comrades, too. Right? [Several fighters reply yes]

[Second Identified soldier] Yes, they treated us very well, they were very kind to us. Those of us who were wounded received medical attention. They took good care of us. [end recording]

These were some of the statements made by the fighters who have just arrived and who are now on the northern road heading toward the military hospital for a medical checkup, according to Commander Torres.

Ambassador Abud Vivas said that the comrades were exchanged for Honduran fishermen who were caught fishing in Nicaraguan jurisdictional waters.

Abud on Improving Ties

PA121614 Managua Domestic Service in Spanish 0300 GMT 12 Apr 86

[Excerpts] Today, with the exchange of prisoners, Honduras and Nicaragua improved their diplomatic relations. Tonight Nicaraguan Ambassador to Honduras Danilo Abud Vivas said that today Nicaragua had responded in kind to the Honduran release of six members of the Sandinist People's Army. Nicaragua had turned over 12 Honduran fishermen and a shrimpboat to Honduran authorities. He also announced that Nicaragua is studying the possibility of letting Honduran boats fish in Nicaraguan waters without any problems.

[Begin Abud recording] In the current Honduran Government presided by Jose Azcona, and in the Honduran Armed Forces, there is a political atmosphere, or political commitment to seek ways to improve...[changes thought] first of all, to eliminate the causes of friction to achieve detente and normalize bilateral relations. This is the most important thing. This has been a very positive gesture from Honduras. Nicaragua also made a very positive gesture. Today the Honduran Embassy here in Managua was informed that we were going to turn over a Honduran boat captured on 4 April in Nicaragua's jurisdictional waters, together with all 12 members of the Honduran crew. The constant incursion by Honduran boats into Nicaraguan waters to fish illegally is another element of friction in the relations. We are also on the way to solving that problem, as was recently announced during the visit by Honduras' economy and commerce secretary. At that time there was talk of seeking an agreement to allow Honduran boats to fish in Nicaraguan waters, so as to elimenate another element of tension. I wanted to report this to you and to thank you for coming to this press conference. [end recording]

OBANDO Y BRAVO MEETS URUGUAYAN LEGISLATORS

PA110451 Managua Radio Sandino in Spanish 0000 GMT 11 Apr 86

[Text] The delegation of the Uruguayan parliamentarians presided over by National Party Senator Alberto Sumaran, vice president of the Latin American Parliament, met this morning with Archbishop Miguel Obando y Bravo, president of the Episcopal Conference of Nicaragua. The Uruguayan congressment, among them Jose German Araujo, from the Broad Front, and Deputies Juan Justo Amaru, from the Colorado Party, and Julio E. Daverede from the Civic Union, met for more than 1 hour behind closed doors with the high prelate from the Catholic Church.

Senator Criticizes Cardinal

PA130010 Managua Radio Sandino in Spanish 1750 GMT 12 Apr 86

[Text] A massive mobilization on the Uruguayan people and of the various political forces in that South American nation is being organized in the next few days by the Broad Front and the National Convention of Workers in solidarity with the Sandinist people's revolution.

This mobilization will bring together almost half a million Uruguayans, who will reiterate their solidarity with Nicaragua and their repudiation of the Reagan administration and the U.S. Congress for their boldness in granting more financial aid to the counterrevolutionary groups attacking the revolutionary process.

Uruguayan Broad Front Senator Jose German Araujo departed the country after a 6-day visit together with other Uruguayan parliamentarians. Regarding his meeting with Cardinal Miguel Obando y Bravo, president of the Episcopal Conference, Senator Jose German Araujo said that Obando y Bravo showed an antipatriotic attitude, just like other members of political parties, with whom, in his opinion, the FSLN cannot hold any talks.

USSR'S ARKHIPOV RECEIVES AWARD, SIGNS AGREEMENTS

Castro Bestows Medal

FL110125 Havana Television Service in Spanish 0000 GMT 11 Apr 86

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has bestowed the Carlos Manuel de Cespedes Order on Ivan Arkhipov, first deputy chairman of the Soviet Council of Ministers and chairman of the Cuban-Soviet Inter-Governmental Commission for Economic, Scientific, and Technical Cooperation, which had been meeting since 7 April.

[Begin recording of Arkhipov remarks read in Spanish by unidentified man] Dear Comrade Fidel Castro, I do not have enough words to express my profound feelings caused by the highest [word indistinct] the CPSU has given me for strengthening the deep sisterhood between Cuba and the Soviet Union. [end recording]

With great emotion, Arkhipov said he has to give his heart and soul to the development of the Cuban people's life and said: Communist Arkhipov will always be yours, until the last day of his life. After the beautiful moment in which Arkhipov's more than 60 years of work toward development of socialism were honored, four important documents were signed. They are the inter-governmental credit agreement for the 5-year period 1986-90, trade exchange, the final protocol of this 5-year period planning coordination, and the final protocol of the 16th session of the Cuban-Soviet Inter-Governmental Commission for Economic, Scientific, and Technical Cooperation. It should be noted that these documents are very important for our future development because, compared to others, these include larger volumes of trade and investments. The documents were signed by Ivan Arkhipov and Carlos Rafael Rodriguez.

5-Year Cooperation Pacts

FL111230 Havana Radio Progreso Network in Spanish 1100 GMT 11 Apr 86

[Text] Cuba and the USSR have signed four important documents, including one on inter-governmental credit in which the Soviet Government grants the Cuban Government credits amounting to more than 50 percent of those assigned during the past 5-year plan for the investment development scheme of the country during the period 1986-1990 through economic and technical cooperation. The process of coordinating plans for this 5-year period, the trade agreement for this same period, and the final protocol of the session are the other documents that were signed by Carlos Rafael Rodriguez and Ivan Arkhipov, who was seen off by Fidel at Jose Marti International Airport when he completed his visit to Cuba.

GRANMA on Agreements

FL111740 Bridgetown CANA in English 1725 GMT 11 Apr 86

[Text] Havana, April 11, CANA-REUTER -- Cuba and the Soviet Union have signed a series of trade agreements which will substantially increase Soviet aid to this Caribbean island over the next five years, the official daily GRANMA reported today. The four trade and economic cooperation agreements were signed yesterday in Havana by Soviet Deputy Prime Minister Ivan Arkhipov and Cuban Vice-President With Responsibility for Foreign Affairs Carlos Rafael Rodriguez at the end of four days of negotiations, it added.

Rodriguez told the state-run Cuban news agency PRENSA LATINA that together they provide for 2.5 billion roubles (three billion dollars) of new Soviet credits to Cuba between 1986 and 1990. GRANMA aid this represented a 50 per cent increase in Soviet credit to Cuba over the last five-year period.

The Soviet Union accounts for two-thirds of Cuba's external trade and provides the country with a massive flow of economic aid, estimated by Western diplomats at about one billion dollars per year.

GRANMA said the latest agreements provide for Soviet aid in several areas of the economy, including electricity generation, petroleum, machinery construction, the electrical, chemical, metallurgical, and pharmaceutical industries, sugar, transport, and agriculture.

REAGAN AID DEMAND FOR NICARAGUAN CONTRAS VIEWED

PA111504 Havana International Service in Spanish 2300 GMT 10 Apr 86

[Norberto Hernandez commentary]

[Text] Characteristically, as the date on which Congress must give a final vote on aid for the anti-Sandinist groups approaches, the U.S. President refuses to give up. At an American Newspaper Publishers Association meeting, for the second time in a single day the President insistently demanded the $100 million to prevent -- according to his statements -- a counterrevolutionary defeat, and to force the Managua regime to negotiate with those groups. During his frenzied speech, Reagan blamed Nicaragua for the Contadora Group's failure to achieve a regional peace agreement. As everyone knows, Nicaragua is not the country that has constantly sabotaged the negotiations promoted by Contadora. The United States, with its fierce interventionism, gives Nicaragua's aggressors economic and material aid and exerts pressure to thwart any attempt to attain peace.

We must bear in mind that while the United States demands that the Sandinist government practically dismantle its Army and remain unarmed despite the aggression, the White House plans to give the mercenary groups -- in addition to what they have already received -- Stinger-type surface-to-air missiles, one of the most modern missiles currently manufactured. Apart from congressional approval, the entire world, especially Latin America, rejects this phase of U.S. policy, which describes aid to the Nicaraguan counterrevolutionaries as a matter of national security.

Thomas O'Neill, speaker of the U.S. House of Representatives, who recently returned from a tour of several Latin American countries, has said that the officials he spoke to shared his concern over an eventual U.S. intervention in Central America. Meanwhile, Michael Barnes, chairman of the House of Representatives subcommittee on Hemispheric Affairs, said that when he was in Panama, where the latest Contadora Group meeting took place, he did not detect support for U.S. aid to the contras. He added that Latin American officials without exception believe White House policies undermine the Contadora process.

The only resource left to the U.S. President is to continue using lies to achieve congressional support, and even so his policies are a failure.

'Our America' Commentary

PA131628 Havana International Service in Spanish 2300 GMT 11 Apr 86

["Our America" commentary, read by Manolo Ortega]

[Text] If one recalls that influential publications such as THE NEW YORK TIMES, THE WASHINGTON POST, THE LOS ANGELES TIMES, and others have evidently been against the White House's policy in Central America, it is clear why President Ronald Reagan spoke on Wednesday to a meeting of the American Newspaper Publishers Association.

As in the best days of his wild campaign to try to win the House of Representatives' support, and because the new vote is immiment, the President again let loose his barrage of verbiage against the Nicaraguan Government, and despite his care not to repeat the ideas that caused him to be crushed in March, he made foolish remarks right and left and again had recourse to the old formula of national security.

We had said previously that if the U.S. President enters history, he shall so so as the biggest liar of all those who have occupied the White House, but we are now in a position to affirm that he should also be characterized as the most ridiculous.

In his sick zeal to obtain the controversial $100 million for the unconventional forces attacking Nicaragua, President Reagan accused the Managua government of being involved in drug trafficking and of committing, in his words, perverse anti-Semitic acts. This was too much for the U.S. press, which quickly reacted to these irresponsible statements with harsh criticism. This criticism was reaffirmed by a New York rabbi who investigated the charges of anti-Semitism in Nicaragua and publicly contradicted the President. The U.S. Drug Enforcement Agency did the same, refuting with proof what the U.S. President had said.

On this occasion, the President's verbal attacks were directed at the USSR, Cuba, and the Nicaraguan Government, which he called a communist enclave in Central America. With these and other arguments, Reagan invited the House of Representatives to reconsider its attitude toward the aid he is seeking for the Nicaraguan counterrevolution and added shamelessly that he is trying to show the Managua government that it cannot eliminate its opponents and that it has to negotiate with them.

One can truthfully say that up to now no government or congress in the world had officially discussed a policy of aggression against a foreign country as the present U.S. Administration is doing, let alone having done so with the explicit objective of overthrowing legally elected authorities. Anyway, it is clear that the U.S. Government, specifically the President, is carefully adhering to the strategy outlined by his advisers, which consists of pressuring legislators to vote in favor of the aid, verbally attacking Nicaragua, and creating foci of tension, like Libya, to feed the super-patriotism of the U.S. people.

COMMENT ON U.S. 'MANEUVERS' AGAINST NICARAGUA

PA100433 Havana International Service in Spanish 2300 GMT 9 Apr 86

[Norberto Hernandez commentary]

[Text] One thing about which the U.S. Government cannot be criticized when discussing its current campaign of aggressions against Nicaragua, is lack of neatness. The current U.S. Administration, with its President at the head, prepares and carries out all possible maneuvers -- some of which are done openly and others somewhat covertly, carefully. The sole objective is to overthrow the Sandinist authorities.

In addition to the uncommonly large propaganda campaign and pressure to secure military aid for the counterrevolutionaries, there is internal sabotage, an economic blockade, border provocations, plans to murder Nicaraguan leaders, and other plans that are implacably implemented against the small but firm Central American nation.

The CIA has played the role of adviser and direct executioner in this dirty deal, but sometimes zeal is not enough, and then the notorious CIA is uncovered. This is what happened with a recent plan aimed at creating evidence about an alleged Nicaraguan intervention in support of the Salvadoran guerrillas. In providing this information, the Nicaraguan Interior Ministry said that the plan had the support of smugglers who operate in the Gulf of Fonseca, which Nicaragua shares with El Salvador and Honduras.

The Nicaraguan contra network -- main tool of the CIA plan -- was trying to promote the desertion of Patriotic Military Service young people with their rifles for which they were being paid $100. The plan calls for transferring those arms to alleged Salvadoran guerrilla supply points where the Salvadoran Army was to pretend to have found them in order to make accusations against Nicaragua before the U.S. Congress. The young deserters were to be trained at counterrevolutionary bases in the island of Meanguera, where there are North Americans who claim to be UN advisers. The Nicaraguan authorities secure this information while interrogating members of a counterrevolutionary band who were arrested. All that remains to be said is that in spite of the care that the U.S. Government puts on some its plans, truth eventually comes through.

AREA LEADERS 'AGAINST' REAGAN POLICY ON CONTRAS

PA121458 Havana International Service in Spanish 2300 GMT 11 Apr 86

[Station commentary]

[Text] The U.S. Administration cannot afford incidents, especially if these incidents occur within its diplomatic corps and only a few days before the final vote is to be cast on aid to the contras. However, the tactlessness of some ambassadors places U.S. President Ronald Reagan and his government in a difficult spot. Recently several U.S. officials said that a majority of Latin American leaders expressed in private their support for the Nicaraguan counterrevolution and the plan proposed by the White House. However, for political reasons they could not say this in public.

The U.S. delegation headed by House Speaker Thomas O'Neill was able to see that the Latin American leaders, without exception, are against the White House's Central American policy. The democratic leader brought this up. Up to this point, no greater problems were created except for the public surprise of learning that the U.S. plans for Nicaragua, instead of being praised, are being rejected by the majorities.

The situation turned into a problem when THE WASHINGTON POST published a letter sent by Frank Ortiz, U.S. ambassador to Argentina, strongly criticizing O'Neill and other members of the U.S. delegation. THE WASHINGTON POST states that Ortiz complained in his letter that Nicaragua was the only topic discussed during the talks. When the letter was made public, Thomas O'Neill said that from the very moment the U.S. delegation arrived in Argentina, Ortiz has been openly rude and constantly interrupted the talks with Argentine President Raul Alfonsin. Thomas O'Neill said: Our ambassador to Argentina broke every law.

Frank Ortiz, U.S. ambassador to Argentina, who so strongly defends the interests of his President, is an old CIA agent whose long service record includes certain things that a person with just a little bit of decency would try to hide. He was born in New Mexico, land taken from Mexico by the United States.

In 1969 Ortiz participated in the destabilization campaign unleashed against Peruvian President Juan Velasco Alvarado. In 1970 he went to Uruguay where he worked as U.S. Embassy adviser. The well-known CIA agent, (?Danny Triones), was also an adviser in Uruguay at that time. We must also add that in Uruguay, Ortiz was closely involved in coordinating the repression against those who opposed the military regime. After holding the position of U.S. ambassador to Guatemala, Frank Ortiz returned to Peru in 1981 as ambassador. Several political sectors accused him of encouraging a coup d'etat. With this kind of a background, it is not surprising that the U.S. ambassador in Argentina should meddle in the official talks of the president and defend a plan that is repudiated by all of Latin America.

U.S. WANTS 'PINOCHET REGIME WITHOUT PINOCHET'

PA111910 Havana International Service in Spanish 2300 GMT 9 Apr 86

["Our America" commentary, read by Norberto Hernandez]

[Text] If the U.S. President has given repeated demonstrations of blind obstinancy, one could say that his most representative emulator is dictator Augusto Pinochet. The events in the past 3 years in Chile have provided sufficient proof that the explosive social situation does not have any other solution but an urgent change in government. This vital aspect does not go unnoticed by either the regime or its main supporter -- the U.S. Government.

The repeated popular demonstrations and the attacks in addition to the unemployment and the increasingly more chaotic economic situation have worsened the governmental crisis. However, contrary to all logic, they have awakened in the chief of the regime uncontrolled desires to remain in power until 1989 and even longer.

In addition to the angry popular reaction to those absurd plans, Pinochet is currently facing the criticism of his old comrades in arms such as retired General Roberto Vio, who demanded the resignation of the dictator for the good of Chile. Another retired general and former junta member, Gustavo Leigh, recently said that he is against all dictatorships and did not conceal his happiness over the falls of Jean-Claude Duvalier and Ferdinand Marcos. This is where the topic about which there is constant talk in various media, inside and outside Chile, emerges. It is a topic that has more than sufficient grounds to back it up, especially when one notes the U.S. position of attacking the Pinochet regime even in the most renowned international forums.

It could be said that the collapse of the Duvalier dynasty and the deterioration of the power of the Philippine president have a common origin that is not unlike the situation that currently exists in Chile. At the same time, there is another similar element. In both the Haitian and the Philippine processes, the United States played a destabilizing role that was the culmination of a series of diplomatic and political pressures. The similarity is valid.

Recently the United States has again implemented the old chameleon tactic, that of using camouflage to attack those it formerly protected when their excessively harsh policy endangers the positions it previously achieved. The unexpected U.S. attack on the Chilean regime in the United Nations with regard to human rights has been the strongest to date. As we have said, it increases the possibility that the U.S. Government will intensify its plans to try to impose a Pinochet regime without Pinochet. This has been denounced by several Chilean political leaders.

Meanwhile, the opposition in Chile has announced that 1986 will be a year of struggle, unity, and victory. The preparations for the upcoming popular struggles worry the U.S. Government. However, confirming his intransigence, Pinochet amends the Constitution without realizing that his puppet strings are about to be cut.

GRANMA SEES AREA DEBT AS OPPRESSIVE 'PINCER'

PA121318 Havana International Service in Spanish 0000 GMT 12 Apr 86

["What the Press Has to Say" feature by (Marta Mercier) and Norberto Hernandez]

[Text] ECLA has recently revealed that in the last 4 years the continent has paid, just in interest alone, on its foreign debt the astronomical sum of $100 billion. This is the opening paragraph of a recent commentary in the newspaper GRANMA, the organ of the Central Committee of the Communist Party of Cuba. "Pincers on Latin America" is the title of the article that later explains that the funds transferred during that period, still as interest, primarily to banks in the United States, would be sufficient to build 25,000 schools for about 40 million Latin American children from 6 to 16 years old who do not know how to read or write. GRANMA goes on to say that the amortization and interest paid since 1960, when the Latin American foreign debt was about $6 billion, is almost equivalent to the present continent's debt of close to $400 billion.

The calculations by international organizations, including ECLA, suggest that if present conditions continue -- unequal trade, high interest rates, and neo-colonialist exploitation, among others -- by 1995 the Latin American foreign debt will be some $670 billion, which is four times the continent's foreign debt of 10 years ago and almost twice the present debt.

Continuing on the subject of interest rates, the Cuban newspaper GRANMA explains that interest rates have increased as much as 20 percent; this has had a serious effect on the indebtedness of Latin America, which at present is experiencing one of the most serious crises in the history of its economic development. GRANMA says the Latin American foreign debt has negative implications not only for the areas's economy and social and economic development, but also has a negative effect on its natural resources. In this regard, the Cuban newspaper cites the Colombian Institute of Renewable and Environmental Resources, which said at the end of last year that to pay their creditors, the debtor countries have to use large amounts of foreign exchange and sacrifice their natural resources.

GRANMA goes on to say that the Caracas Declaration, issued at the 11th SELA meeting, states that the region's foreign debt has become one of the most serious obstacles to the development of Latin America; that the high cost of servicing it and the loss of access to international capital markets have transformed Latin America and the Caribbean into an exporting region deprived of financial resources. In October 1985, GRANMA says, the Montevideo Declaration approved by the Latin American Parliament stated that under the conditions imposed by the creditors, the region's foreign debt was unpayable, that it was mainly a political problem, and that the unity of the Latin America countries is an essential requirement for solving the debt problem.

To conclude, GRANMA says that the foreign debt of Latin America and the Caribbean is, indeed, the economic problem at the core of the crisis that the continent is experiencing, and that because it constitutes a pincer in the heart of the region, it provokes ample and heated discussions among businessmen, public employees, experts, and economists. The topic of the discussions is how to eliminate the pincer that is oppressing the Latin American peoples, GRANMA says.

'OUR AMERICA' COMMENTARY ON FOREIGN DEBT CRISIS

PA111721 Havana International Service in Spanish 2300 GMT 10 Apr 86

["Our America" commentary]

[Text] The increasing wave of strikes, dismissals, and demonstrations on the Latin American continent are proof of the tensions that exist between the working masses and governments. This situation has its origins in the harsh economic and social crisis in the region caused mainly by the foreign debt, which is growing at a bewildering rate. Of the $950 billion debt accrued by the underdeveloped countries, $370 billion is owed by Latin America. This reality has resulted in the implementation of economic measures with which leaders try desperately to solve the problem. Despite this, the destabilizing threat posed by the debt and the terrible pressure to pay the interest, places democratic governments in difficult situations, as in the case of the Argentine Government which since coming to power has had to face five national strikes, while a sixth strike has been scheduled to begin within a short time.

Upon rejecting the economic measures adopted by President Raul Alfonsin, the General Confederation of Labor [CGT] was particularly harsh in its criticisms when it stated in a communique that this is the second phase of the recessive aggression on the people's economy, because the government wants no other agreement than the one it has with the international usurers. Shortly before the recent fifth strike, the Argentine CGT proclaimed that strikes are the only alternative because we are dying of hunger. The reiterated demand for salary increases, and the moratorium on the payment of the Argentine foreign debt which is $50 billion, preceded the strike in March, during which the workers also requested an end to mass dismissals and closure of firms and factories. The increasing unemployment of Argentine workers is the result of the drastic anti-inflationary program called Southern Plan [Austral Plan] implemented in June by President Alfonsin's government, which is determined to control the crisis at all costs.

In the midst of the tense warlike atmosphere, the labor leaders recalled that prior to the implementation of the Southern Plan the government said it would guarantee freedom of work; therefore, the labor sector's claims were basically addressed to the economic adjustment program. As I said at the beginning of this commentary, labor unrest affects the entire region and in this regard Peru, Brazil, and Uruguay are facing strikes in which tens of thousands of workers are participating. The demands of the Argentine workers are valid for all of Latin America's working classes, who are willing to wage a battle against payment of the foreign debt that has caused the extreme poverty of 150 million people on the continent.

SEAMEN SPONSOR NICARAGUAN SCHOOLS, DELIVER GOODS

FL120111 Havana Television Service in Spanish 0000 GMT 12 Apr 86

[Text] Cuban ships are constantly arriving at Corinto Port, on the Pacific side of Nicaragua, carrying goods which are necessary for development of that Central American sister republic. One of the most beautiful activities carried out by our seamen is the sponsoring of this township's schools. Corinto has a population of little over 17,000. One of these centers is San Martin primary school which has 230 students.

The Cuban crew of the Baracoa ship have painted, repaired and rebuilt different areas of this school including the installation of power lines. They have also delivered books, notebooks, erasers, pencils, and other school supplies for that school's students. Because of its small size, the school has two class sessions and adult education is provided during the evening. The Navegacion Caribe Enterprise's ships which arrive in Corinto Port provide similar services to other schools they sponsor.

RISQUET PRAISES ANGOLAN TIES, MEETS DOS SANTOS

FL101718 Havana Radio Periodico del Aire in Spanish 1600 GMT 10 Apr 86

[Interview with Politburo member Jorge Risquet in Luanda, Angola, by PRENSA LATINA correspondent Pedro Martinez Pirez; date not given -- recorded]

[Text] At the conclusion of the tenth meeting of the bilateral commission on general Angolan-Cuban cooperation, we interviewed Jorge Risquet, member of the Politburo and Secretariat of the Communist Party of Cuba. The Cuban leader praised the results of the commission sessions which were held in Luanda and Cabinda.

[Begin recording] At the sessions of the tenth meeting, we have encountered a common language, discussed in detail, and taken the necessary measures to expand cooperation and make it more efficient in all economic, political, and social areas, where necessary, as well as in the defense area, since the racist imperialists are escalating aggression against all the peoples of the southern cone and especially against Angola, as demonstrated by the shameless reception of the traitor Savimbi as a, quote, hero, unquote, by Mr Reagan and other U.S. dignitaries. He supposedly received direct Yankee imperialist aid for the counterrevolutionary bands, which is in addition to the aid that the United States was already providing covertly and through the South African racist. In view of this escalation and new dangers, we agreed to reinforce our cooperation and we are sure that in the event of any new attempt, any new escalation is condemned to failure. [end recording]

During his visit to Angola, Risquet met twice with Angolan President Jose Eduardo dos Santos who was presented with a verbal message from Cuba's highest leader, Fidel Castro.

In reference to South Africa, Risquet said:

[Begin recording] The Angolan people will triumph. We will achieve security for Angola, independence for Namibia, equality for the multi-racial people of South Africa, abolition of apartheid, and peace for the nations of southern Africa. [end recording]

AGUIRRE ADDRESSES IPU MEETING IN MEXICO

FL120227 Havana Radio Reloj Network in Spanish 0206 GMT 12 Apr 86

[Text] Today Cuba urged IPU members to firmly support those who oppose open and covert armed intervention against Nicaragua and to condemn U.S. aggression against the powerful Libyan people. Severo Aguirre, vice president of the National Assembly of the People's Government and head of the Cuban delegation to the 75th IPU conference, scored the United States for persisting in its erratic path of vicious arms race. The Cuban representative asked why, if it was acknowledged in Geneva that a nuclear war would not have winners or losers, arms race continues to be increased as well as the "star wars" project. Speaking at the parliamentary conference being held in Mexico City, Severo Aguirre compared the U.S. warmongering line with USSR's peace policy.

BAHAMAS

TALKS WITH CUBA ON BILATERAL RELATIONS CONCLUDE

FL111522 Bridgetown CANA in English 1500 GMT 11 Apr 86

[Text] Nassau, Bahamas, April 11, CANA -- The Governments of Cuba and the Bahamas have concluded two days of talks which it is hoped will lead to better relations between the two countries. The 12-member Cuban delegation, led by Foreign Affairs Minister Isidoro Malmierca Peoli, met here with Foreign Affairs Minister Clement Maynard and officials from the Ministries of Foreign and Economic Affairs.

An official statement issued following the meetings said the two delegations discussed matters of mutual interest, including delimitation of maritime boundaries between the two countries, fisheries matters, sporting and cultural matters, and the importance of establishing contact at the official level as a means of minimising confrontation and misunderstanding between the Bahamas and Cuba, and avoidance of armed attack and incidents such as the case of HMBS Flamingo (which was sunk by Cuban fighter planes).

The Cuban Government was also said to have given its assurance of full cooperation in combatting international drug trafficking and terrorism. Both countries agreed they will continue to maintain ambassadors at the non-resident level.

Relations between Cuba and the Bahamas have remained distant since Cuban President Fidel Castro assumed power in 1959. Diplomatic ties were established the year following Bahamian independence in 1973, but a non-resident ambassador to the Bahamas was not appointed until 1979.

Although Prime Minister Lynden Pindling has emphasised the need for the Bahamas to maintain good relations with all its neighbours, including Marxist Cuba, the Bahamian public has remained strongly opposed to any Cuban presence here. At the same time, efforts by the Bahamas to protect its fisheries resources have often led to the arrest of Cuban fishermen for poaching in Bahamian waters. The issue provoked an international incident in 1980 when Cuban military aircraft sank a Bahamas defence force vessel with the loss of four lives. The Cuban Government later made financial restitution to the Bahamas Government and the families of the dead marines.

A second incident occurred last December when another defence force vessel was buzzed by two Cuban MiG's as it attempted to arrest four Cuban fishing boats found within the Bahamas exclusive 12-mile fishing zone.

Pindling on Talks

FL111948 Nassau Domestic Service in English 1800 GMT 11 Apr 86

[Excerpts] Prime Minister the Right Honorable Sir Lynden Pindling addressed the [Progressive Liberal Party, PLP, constituency] rally at (Gambert) House last night. He discussed the FNMs [Free National Movement] as two-faced who speak out of both sides of their mouth. He also talked about the recent talks with the Cuban delegation.

[Begin recording] The other day, the deputy prime minister had some talks with a Cuban delegation that came here to our city. He thought, and all of us in the government thought, it was in the best interest of the Bahamas, protecting the interest of the Bahamas, protecting the lives and welfare of Bahamians that we should do this. We don't want to talk to the Cubans after they blow up another boat. We want to talk to them before to see if we can avoid an incident like that happening again.

Cuban fishermen still are caught in our waters on occasion and right now we have licensed a company that is drilling for oil somewhere near the boundary between the Bahamas and Cuba. We don't want a boat blown up out of the water because the Cubans say it's on the Cuban side and we up here in Nassau say: No it's on the Bahamian side. We have to protect the interests of the the Bahamas.

But, you see, the trouble is the FNM likes to play off. The FNM issued a statement that they are opposed to the Bahamas' talking to Cuba.

The firm of Bostwick and Bostwick represents the Cubans in the Bahamas. I don't know how, out of one side of the mouth the FNM can say that the Bahamas' Government should not talk with the Cuban Government, and on the other side of the mouth they take the Cuban money to represent them in the Bahamas. I can't understand them. [end recording]

In a telephone interview with Mr Bostwick this afternoon, the attorney admitted representing Cubans. He said Mr Pindling knows that he represents people of all nationalities and added that he represents PLP and FNM as well.

HAITI

GOVERNMENT TO PROSECUTE HUMAN RIGHTS VIOLATIONS

FL111348 Bonaire Trans World Radio in English 1130 GMT 11 Apr 86

[Text] The Haitian Government says it plans to begin legal action against 16 people charged with human rights violations and other crimes during the regime of ousted President Jean-Claude Duvalier. Among those charged is the former mayor of Port-au-Prince; several political prisoners accused the former mayor of torture and other abuses.

2 SOLDIERS ON SHOOTING SPREE DEMAND HIGHER PAY

FL121430 Bonaire Trans World Radio in English 1130 GMT 12 Apr 86

[Text] Reports from Haiti say two Haitian soldiers opened fire inside their own barracks on Thursday in a protest to demand higher pay and better treatment for the Army. No injuries were reported in the incident which took place in a town about 70 miles west of Port-au-Prince. The soldiers took refuge afterwards at the home of a Roman Catholic priest and reportedly plan to seek asylum in the United States.

ST LUCIA

COMPTON CALLS ON CARICOM TO HELP HAITI

FL112236 Bridgetown CANA in English 2204 GMT 11 Apr 86

[Text] Castries, St Lucia, April 11, CANA -- St Lucia is seeking to mobilise members of the Caribbean Community (Caricom) to help Haiti establish a democratic system of government in the wake of the recent forced departure of the depressed island's dictator Jean-Claude Duvalier. Prime Minister John Compton says he expects the issue to be considered when the Caricom foreign ministers meet in Belize next month as well as at the heads of government meeting in July.

The first thing we have to do is to send a fact finding mission to find out what is happening in Haiti, and to see where we can help, both in political organisation and other technical assistance, Compton said. Based on the findings, Caricom should do what it can to help in restoring normalcy, he added.

Haiti is adrift now and I think we ought to do something to try and bring it into the Caribbean mainstream, he said. Government's desire to assist Haiti was first mooted in last month's throne speech to parliament.

Governor-General Sir Allen Lewis said recent events in Haiti presented an opportunity for commonwealth Caribbean governments to provide a bridge upon which that disturbed and unfortunate country can cross over into the mainstream of Caribbean affairs. Our geographic proximity, our linguistic, and cultural affinity provide compelling reasons for some initiative on the part of Caribbean governments. This opportunity to render humanitarian assistance should not be missed, he said. Compton told CANA today Haiti was adrift now and something must be done to bring it into the Caribbean mainstream.

ST MARTIN

LIBYANS INTERESTED IN BUYING NETHERLANDS PASSPORTS

FL111424 Hilversum International Service in English 1030 GMT 11 Apr 86

[Text] The Dutch Liberal Conservative Party has urged the government to put an end to the trade in Dutch passports on the island of St Martin. Canadian businessmen have set up an enterprise on the island which offers for sale Dutch alien passports at the rate of $100,000. Libyans, Iranians, and Chinese especially appear to be interested in such a passport. It is reported that the island administration fully agrees to the transaction so that the Dutch political party wonders whether the Dutch authority on the Antillean island can be maintained in his function. It is of the opinion that the passport trade is an encroachment on the Constitution, that is the Dutch Constitution, and the Dutch Government will respond at the beginning of next week.

TRINADAD-TOBAGO

UNION CRITICIZES U.S. MILITARY EXERCISES

FL091802 Bridgetown CANA in English 1544 GMT 9 Apr 86

[Text] Port-of-Spain, Trinidad, April 9, CANA -- The left-wing Bank and General Workers Union (BGWU) has criticized forthcoming United States military exercises in the Caribbean. The United Nations has declared 1986 the Year of Peace, the Union said in a statement. Yet the Caribbean region is being converted into a zone of war and aggression by the United States aimed at enslaving the Caribbean people politically, economically, and culturally. These dangerous military exercises are designed to transform the region into a zone of war and into another U.S. military hotspot, the statement added.

The Pentagon said last Friday that more than 20,000 personnel from the U.S., Britain, Jamaica, and eastern Caribbean states will take part in the exercises. The department said that the manoeuvers will demonstrate American capability to project military power to protect its interests by supporting friendly Caribbean governments.